

State Level Bankers' Committee, Tamil Nadu
Convenor: Indian Overseas Bank
Minutes of the 147th Meetings of SLBC
Held on 23.09.2016

The 147th meeting of SLBC, Tamil Nadu was held at Chennai on 23rd September, 2016. List of participants is furnished in the Annexure. The meeting was chaired by Shri.Atul Agarwal, Executive Director, Indian Overseas Bank.

Welcome Address:-

Shri.M.M.Sarangi, General Manager, Indian Overseas Bank and Convenor, SLBC, Tamil Nadu, welcomed the participants to the 147th meeting of SLBC, Tamil Nadu. He has highlighted the various special SLBC meetings and Sub committee meetings organised by SLBC after the 146th meeting.

He briefed the forum about the implementation of Pradhan Mantri Fasal Bima Yojana (PMFBY) in Tamil Nadu and also about the issuance of G.O., guidelines and necessary notification by Tamil Nadu State Government for Khariff and Rabi seasons, 2016. He informed the forum that SLBC has already circulated the notifications and cluster details to all the member banks and Lead District Managers and also uploaded the same in the SLBC website, www.slbctn.com. The three nominated insurance companies namely, Agricultural Insurance Company, ICICI Lombard and New India Assurance have issued the procedure for payment of premium and submission of proposal, which were also circulated by SLBC.

Convenor, SLBC appealed to all the bankers to advise all their branches to ensure that all the loans extended for cultivation of the notified crops in the notified areas are covered under PMFBY without fail.

He informed the forum that Government of India has launched a special drive for Financial Inclusion initiatives from 15.09.2016 to 31.10.2016 on the initiatives like PMJDY, PMMY, PMJJBY, PMSBY, APY and Stand up India schemes to accelerate the momentum already achieved. He also requested the member banks to extend the overdraft facility to the eligible PMJDY account holders after due diligence.

Inaugural Address:-

Shri.Atul Agarwal, Executive Director of 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 June 2016 was to be reviewed in the 147th meeting of SLBC.

Chairman, SLBC appreciated the good performance by banks under various parameters of Annual Credit Plan and also under various Governments sponsored schemes. State has recorded good CD ratio, Agriculture Credit percentage and priority credit percentage. He expressed his concern that the achievement under Annual Credit Plan 2016-17 during the first quarter is only 92%. He advised the member banks to concentrate more on Education and Housing sectors.

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

1. CD ratio of the State continues to be above 100 percent. The present level is **114.80%**.
2. Deposits have increased by **9.18 percent** (Year on Year).
3. Credit increased by **8.55 percent** (Year on Year).
4. Priority Credit stands at **43.69 percent** (against the norm of 40%)
5. Agricultural Advance stands at **18.35 percent** (against the norm of 18%)

Chairman, SLBC informed the forum that banks have achieved 92 % of the target under Annual Credit Plan 2016-17 during the first quarter under select parameters. He also informed the forum that banks have achieved 95 % under Farm sector, 99 % under MSME, 76, 75, 84 % under Education, Housing & Others respectively. He advised the member banks to concentrate and achieve 100 % under each individual sector.

Chairman, SLBC informed the forum to report correct data under Incremental Export Credit, Social Infrastructure and Renewable Energy so that the actual performance of the State can be reported correctly. He also advised that SLBC has already provided the pending list of applications under various Government sponsored schemes to all member banks and advised them to have a time frame of not exceeding 1 month to dispose of all such pending applications.

Financial Inclusion:

Chairman, SLBC informed the forum that, during the first quarter ended June 2016, banks in Tamil Nadu have disbursed MUDRA loans to the tune of Rs.2706.91 Crores against the annual target of Rs. 6817.53 Crores which is an achievement level of 39.69% of the target. He advised the member banks that AADHAR seeding into the bank accounts is the order of the day as Government attaches lot of importance for the same. He advised the member banks to monitor all their branches and to ensure seeding of AADHAR number in all the accounts.

He informed the forum that Ministry of Finance, Government of India has launched a special drive for Financial Inclusion initiatives from 15.09.2016 to 31.10.2016 and advised the member banks to actively participate. He also appealed to the State Government to extend all help to the Lead Banks in the districts to conduct the events successfully.

Agriculture

Chairman, SLBC advised the forum that Agriculture is the main focus area this year. The State has experienced less rainfall during South West monsoon. The Government has allotted a target of Rs. 78540 Crores under Agricultural Credit for the State of Tamil Nadu during 2016-17. He advised the banks to draw concrete plans to achieve their projected target under Annual Credit Plan and also to ensure that more focus is given for Investment Credit.

MSME:

Chairman, SLBC advised the forum that due to the unprecedented floods in the State, MSME units in the State were affected. Member banks have provided necessary relief to the eligible affected units up to 30.06.2016, the last date for providing the relief in terms of RBI's Master Circular dated 01.07.2015.

He informed the forum that banks in the State have disbursed a sum of Rs.21038 crores to MSME sector during the first quarter of 2016-17. The NPA level under MSME is at 8.50% 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 advised the member banks to help the deserving students who are in real need for funds to pursue their higher education dreams. Tamil Nadu continues to be the first among the States having sanctioned and disbursed maximum Educational Loans.

He informed the forum that NPA level is very high under Educational loans in the State. The present level is 15.28 % which needs special attention. He also informed that high level of NPA causes concern and banks should take necessary steps to contain NPA.

Stand up India Scheme:-

Chairman, SLBC informed the forum that the "Stand up India" scheme has been launched for the benefit of the SC/ST and women category of entrepreneurs. He advised the banks that existing subsidy schemes like PMEGP, UYEGP, NEEDS & TAHDCO can be dovetailed with "Stand up India" scheme. He advised the member banks to submit progress report under the scheme to SLBC regularly on monthly basis.

Pradhan Mantri Fasal Bima Yojana (PMFBY):-

Chairman, SLBC informed the forum that Government of Tamil Nadu has divided the 31 districts (except Chennai) in the State into 3 clusters. Each cluster is allotted to one insurance company and notifications have been issued both for Khariff and Rabi seasons of 2016. SLBC has uploaded the details in their website for the ready reference of member banks.

Before concluding his speech, Chairman once again congratulated the bankers for their good performance. 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. The Government is in the process of formulating a dry land farming project. It is an integrated project.
2. It will be a comprehensive programme, covering not only agriculture, but also water harvesting, allied activities like Animal Husbandry, Fisheries, Poultry.
3. The basic aim of the programme is to stabilise and increase the income of the farmers in line with the Government of India's scheme of doubling of farmer's income.
4. The Government is also formulating a Pulse Mission. G.O has already been issued for the pulse mission. This will be addressed under the cluster model.
5. The scheme aims at facilitating the farmers to form themselves into groups and get value addition, processing, organised purchase of inputs and also marketing.
6. The bankers can extend financial assistance for such new ventures which would be carried out through Farmer Producer Organisations.
7. This model will ultimately create more employment in the rural areas.
8. A big scheme has been launched for supply chain management of perishables like fruits & vegetables.

9. This also has lot of opportunities to establish micro enterprises on food processing and preservation.
10. Lot of scope is also available under Animal Husbandry sector.
11. The Tamil Nadu Corporation for Development of Women has been implementing poverty reduction programmes both in urban & rural areas under NULM and NRLM.
12. The bankers should address needs of Agriculture sector, Economic Development area, MSME and other sectors for the development of the State.

Shri.A.K. Dogra, Deputy Secretary, Department of Financial Services, Ministry of Finance, Government of India observed the following in his special address:

1. It is observed in various meetings that the communications sent by Govt.of India, RBI, NABARD for implementation of various programmes/schemes are not reaching the branches.
2. This results in poor implementation of the schemes as branch is the final unit which directly implements the schemes.
3. The controlling offices should ensure that all instructions from Govt. Of India, State Government, RBI & NABARD reach the branches in time.
4. The Government has issued instructions from time to time to achieve the targets under PMJDY, MUDRA, Stand up India, Jansuraksha.
5. Government is focussing on AADHAR seeding and mobile number seeding in PMJDY accounts for which 30th October is the last date.
6. Banks should ensure that the targets under various schemes are achieved well in time.
7. It is observed from the Agenda that conversion of KCC cards to ATM enabled RuPay cards are pending with many banks especially with RRBs.
8. It is observed that many banks are not providing data in time to SLBC which results in non compilation/updation of data and correct data is not reflected in the meeting.
9. Banks should ensure that correct data are provided to SLBC in time to enable them to present the same in the meeting for review.

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

1. Government of India made an announcement that from October 2016 onwards, a Monetary Policy Committee will be finalising the interest rate and other aspects instead of Governor of RBI.
2. Three members from RBI and three members from Government of India will form the committee.
3. As per present policy, Repo remaining at 6.5% and CRR at 4%
4. Dr.Raghuram Rajan, the then Governor of RBI pointed out that KYC to be simplified for the common man to make account opening easy.
5. Nowadays phishing emails and SMS are sent from various sources with an intention to cheat the public. He advised the public to exercise caution when they get such messages.
6. Recently, to highlight the importance, RBI has done a direct posting of letters in collaboration with Dept.of posts to all the homes in Tamil Nadu.
7. A clarification has been received from RBI Central Office that for all Government sponsored schemes which involve subsidy, service area concept is applicable.
8. In Tamil Nadu engagement of BCs in urban areas is yet to be completed. Bankers should take all steps to engage Business Correspondents in the urban areas also like what they did in the rural areas.
9. RBI advised the banks to open brick & mortar branches in all the villages with a population of 5000 or more and 926 such villages are identified in the State. Central Office of RBI has clarified to SBI and Indus Ind Bank that though BCs are engaged in allotted villages, brick & mortar branches are also to be opened.
10. Banks should ensure that 60% level is reached in financing micro enterprises and 15% level in financing minority communities as per Government guidelines.

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

1. Banks have 6.00 lakh Crores of deposits as on date, out of which Rs.2.99 lakh crore is deployed for priority sector, out of which 1.25 lakh crores is for agriculture.
2. Even if 40-50% of the resources are leveraged the State can be made prosperous.

3. Micro credit by the formal banking system is almost stagnant at Rs.6000 crores year after year.
4. The Self Help Groups are increasing from 4.00 lac groups to 8.00 lac groups. Effectively per capita credit to each group is coming down.
5. NBFCs and MFIs are very active in lending to SHGs. 19 MFIs in Tamil Nadu have given Rs.10539 Crores credit to SHGs.
6. The SHGs have to pay more interest when they borrow from MFIs & NBFCs when compared to borrowing from Public Sector Banks.
7. The study conducted by the DDMs reveals that in many of the delta districts, people are forced to borrow from MFIs at higher interest rates.
8. NPA level is also very high under SHG finance in Tamil Nadu at 11.5 % compared to the National average of 5.8 %. Banks to find ways to sort out both the issues.
9. NABARD's portal E-Shakthi has been launched in Bihar and Union Territory of Puducherry. NABARD will work with TNCDW for starting an E-Portal for SHGs in Tamil Nadu also.
10. The ground level credit by Co-op banks has come down to 6000 Crores from 12000 Crores last year. This may be due to debt waiver. NABARD is prepared to provide additional liquidity to Co-op system if required at a concessional rate of interest.
11. Farmers Producer Companies are coming up very well. Bankers should show interest in financing and supporting them.

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

Action taken report for the action points of 146th SLBC meeting:-

1. Government of India's "Stand Up India" scheme - Logging in by LDMs

Convenor SLBC informed that all 32 LDMs have logged in to the portal of Stand up India. He advised all the member banks to advise all their branches to log in to the portal regularly and to see if any application is forwarded to them.

Action: Banks

2. 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 that in 6 months' time only 34 branches have been opened out of the identified 926 villages. The progress is more or less stagnant from the last meeting. He advised the banks to complete the opening of branches in their allotted villages before 31.03.2017

Chairman, Pandyan Grama Bank cited staff shortage as the main reason for slow progress. Though there is recruitment through IBPS, the attrition rate is very high. Statewise merit list can be provided by IBPS so that retention will be more.

Chairman, Pallavan Grama Bank advised that all the centres allotted to them are not viable. Regional Director, RBI informed that all these issues have been referred to RBI Central Office who categorically stated that branches are to be opened at the allotted places.

Action: Banks

3. Pradhan Mantri Fasal Bima Yojana :-

Convenor, SLBC advised the banks to remit the premium before the cut off date. He also advised that all crop loans sanctioned during Rabi for notified crops in the notified areas are to be compulsorily covered under PMFBY.

Action: Banks

AGENDA No.1

The forum confirmed the minutes of the 145th & 146th meetings of the State Level Bankers' Committee held on 17.06.2016.

AGENDA No.2

Implementation of concessional credit component for Handloom Sector through "Pradhan Mantri Weaver Mudra Scheme":

Convenor, SLBC informed that this scheme is a Government sponsored scheme with subsidy component and service area concept is very much applicable for this scheme. This has been confirmed by the communication received from RBI recently. He requested the Department of Handlooms and textiles to respond and to clarify why the targets have been allotted only to 4 banks in the State.

The Additional Director, Dept. Of Handlooms & Textiles advised that the scheme was initially started with 6 banks and now it is extended to 21 other banks also. He also informed that so far banks have sanctioned more than 5000 loans which were above the target of 3000 loans given by Govt. of India for National Handlooms day.

Convenor, SLBC requested the Additional Director to issue circular to all their offices advising that applications are to be sent to service area bank branches only.

AGENDA No. 3:

RBI - Credit flow to MSME clusters:

Convenor SLBC informed the forum that RBI has identified 177 unrecognised MSME clusters in Tamil Nadu for the purpose of skill development/enhancement through RSETIs located in the State. RBI also advised that each RSETI should identify at least one cluster for the benefit of the artisans/workforce in the cluster through skill development/enhancement by providing necessary training.

He advised the 4 sponsor banks of RSETIs in the State to identify one such cluster for each of their RSETIs and advise the details to SLBC.

Action: Sponsor banks of RSETI

AGENDA No. 4:

Solar Pump set Scheme of MNRE, Government of India- NABARD

Convenor, SLBC informed the forum that Government of India has given a revised target of 6800 physical units under solar pumpset scheme for 2016-17 for the State of Tamil Nadu.

CGM NABARD advised that there are nearly 6500 rural and semi urban branches of commercial banks in Tamil Nadu and if each branch considers one proposal then the target can easily be achieved. In addition there are nearly 500 rural branches of Co-op banks, also available in the State. He requested the banks to implement the scheme successfully.

Action: Banks/ Co-op Banks

AGENDA No. 5:

Pradhan Mantri Fasal Bima Yojana (PMFBY- Clusters)

Convenor, SLBC informed the forum that Government of Tamil Nadu has issued the notification for Rabi 2016 also. All the details have already been circulated to the member banks/LDMs by SLBC and the notification, guidelines, details of insurance companies, procedure for remittance of premium etc. have been uploaded in the website of SLBC (www.slbc.tn.com)

Director of Agriculture, Government of Tamil Nadu informed the forum that during Rabi season, nearly 21.00 lakh farmers are proposed to be covered in the State and requested the bankers to cover all the crop loans sanctioned for notified crops in the notified areas under PMFBY.

Action: Banks

AGENDA No. 6:

DAY-NRLM- Community Based Recovery Mechanism (CBRM):

Managing Director, TNCDW informed the forum that the Community Bank Co-ordinators appointed by TNCDW are not utilised by banks for recovery and liaison between banks and SHGs. She suggested that a monthly co-ordination

meeting can be organised at branches with the participation of Branch Manager, representative from Panchayat level Federation Community Bank Coordinators and staff of SRLM incharge in the area.

Managing Director, TNCDW also suggested that the Community Bank Coordinators can be effectively used for recovery by banks in the State.

Action: Banks

AGENDA No. 7:

AADHAR seeding in the accounts of MGNREGS beneficiaries/ pensioners and others:

Convenor SLBC informed the forum that Government of India advised that all accounts should be seeded with AADHAR numbers before 31.03.2017.

He also said that Government of India requested the State Government to organise special camps in all the districts for AADHAR seeding in the accounts of pensioners, NREGS workers and others. Additional Chief Secretary (Finance), Government of Tamil Nadu has sent a letter to all the District Collectors in this regard.

He requested the member banks to complete seeding of AADHAR numbers in the account of the pensioners before 31.10.2016 and in all the accounts before 31.03.2017.

Action: Banks

AGENDA No. 8:

PFRDA- Atal Pension Yojana - Capacity building for Business Correspondents:

Convenor, SLBC advised the member banks to ensure that their Business Correspondents are trained in the capacity building programmes organised by Lead District Managers through M/s. Crux Management Services, engaged by PFRDA.

Action: Banks/LDMs

AGENDA No. 9 :

Mortgage of lands by Public Trusts -Tamil Nadu Land Reforms (Fixation of Ceiling on Land) Act, 1961-Grant of permission under Sec.37A & Sec 37B:

Convenor, SLBC informed the forum that Government called a meeting of major banks on 29.01.2015 and as suggested therein suggestions from the 4 major banks were sent to the Commissioner, Land Reforms on 27.03.2015.

He requested that Government may permit the mortgages created by the Public Trusts in favour of the banks as a one time measure.

Action: Dept. of Land Reforms/Banks

AGENDA No.10:

Lead Bank Scheme- Strengthening of Monitoring Information System- Revised LBS-MIS I, LBS-MIS-II and LBS-MIS-III advised by RBI:

Convenor SLBC advised all the member banks to send quarterly SLBC reports only in the revised formats both to the LDMs in the district and to SLBC at State Level.

Action: Banks/LDMs

AGENDA No. 11:

Doubling of Farmers' Income by 2022-NABARD

Convenor SLBC informed the forum that the subject is taken very actively by the Government. This is one of the priority areas identified by the Government. CGM NABARD informed that Hon'ble Prime Minister desired that the farmers' income should be doubled by 2022. The Tamil Nadu Government envisages that farmers' income should be tripled by 2022.

The aim can be achieved by,

1. Reducing cost of inputs
2. Increasing the yield by 30% by following Good Agricultural Practices (GAP)
3. Through value addition of the produce/products
4. Connecting the Agricultural markets in the country through E-marketing channel to enable the farmers to get better price.

AGENDA No: 12

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

The forum noted that year on year incremental deposits & credit growth as of June, 2016 was 9.18 % and 8.55 % respectively over June 2015. The CD Ratio has decreased from 114% as of June 2015 to 113.34 % as of June 2016. The share of Priority sector advances and agricultural advances was 43.69 % & 18.35 % as against the national norm of 40% and 18% respectively.

The forum also noted that the growth of Housing, Weaker Section advances over June 2015 is 0.66% and 8.02% respectively.

Convenor, SLBC informed the forum that in Co-operative banks there is a reduction in CD Ratio from 104.14% as of June 2015 to 85.79 % as of June 2016.

CGM NABARD informed that the reduction in CD ratio may be due to the recent debt waiver scheme in Co-operative banks in Tamil Nadu. Managing Director, TNSC Bank informed the forum that within few months time Co operative banks will reach better CD ratio.

Convenor SLBC advised all the member banks to submit the correct data on advances with data under newly included priority sectors 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 June 2016):

The forum took on record, the achievements from April 2016 to June 2016 under ACP 2016-17. The banks in Tamil Nadu have achieved 95% under agriculture, 99 % under MSE, 76% under Education, 75% under housing, 84 % under Export Credit, 70% under Renewable Energy, 81% under social Infrastructure, 84% under Other Priority Sector and 88 % 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.21038.96 crores was disbursed from April 2016 to June 2016 to Micro, Small and Medium Enterprises. The Convenor, also 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 that banks in the State have disbursed 939 projects with the margin money of Rs.25.04 crores and employment was generated for 9748 persons.

Representative from KVIC, informed that after introduction of online application process banks are not able to process the pending applications quickly. Chairman Pallavan Grama Bank informed that internet facility is not available at branch level and the usage of online portal may be restricted to controlling office level.

General Manager, MSME Dept, IOB informed that there are some issues in the portal; However Indian Overseas Bank and some other banks have successfully completed all the pending applications.

Convenor SLBC advised that KVIC, Chennai should organize a separate meeting with major bankers to educate about online application process. He advised that PMEGP office should send login credentials of banks to enable them to login.

Action: Banks/ KVIC

AGENDA No. 16

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

Convenor, SLBC informed the forum that the 31 RSETIs in Tamil Nadu have conducted 118 training programmes during April 2016 to June 2016, wherein 3087 persons were trained of which 1931 persons secured employment and 450 persons have availed credit from banks.

Convenor, SLBC appreciated that all the 31 RSETIs obtained "AA or AB" grade. He also appreciated that out of 31 RSETIs in Tamil Nadu 25 RSETIs obtained "AA" grade and remaining 6 RSETIs obtained "AB" grade.

To a query from State Director RSETIs, CGM NABARD clarified that same norms are followed for reimbursement of training expenses during 2016-17 also like last year.

Convenor, SLBC requested the member banks to give priority in sanction of loans 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.17

Financial Literacy & Credit Counselling Centres (FLCCC):

Convenor, SLBC informed the forum that 59 FLCCCs are functioning in the state and they have undertaken 739 Financial Literacy Camps from April 2016 to June 2016. He has advised that as per recent guidelines of Reserve Bank of India, Banks should conduct more target specific camps and more number of outdoor literacy camps.

Convenor SLBC, 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 as per the revised format (PART C) to SLBC in the prescribed format for submission to RBI.

Action: Banks/ sponsor banks of FLCs

AGENDA No. 18

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

The forum noted that 19416 loans to the tune of Rs.405.89 crores have been granted during April 2016 to June 2016 by the banks, of which loans for Engineering/Medical courses account for 11859 loans amounting to Rs 203.96 Cr, 895 loans for study abroad amounting to Rs.88.78 Cr and 5981 loans to others, to the tune of Rs.65.76 Cr.

AGENDA No 19

Performance under New Entrepreneur-cum-Enterprise Development Scheme (NEEDS) & Unemployed Youth Employment Generation Programme (UYEGP) 2016-17:

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.

Action: Banks/ LDMs

AGENDA No.20

Bank finance under Housing Scheme:

The forum noted that banks in Tamil Nadu have disbursed 18297 housing loans (up to a limit of Rs.28.00 lacs) to the tune of Rs.1339.97 Crores to the Housing Sector during April 2016 to June 2016.

AGENDA No.21

Golden Jubilee Rural Housing Finance Scheme (GJRHFS):

The forum noted that banks in Tamil Nadu have disbursed 227 loans amounting to Rs.601.71 lacs during the quarter ended June 2016 under the above scheme.

AGENDA No. 22

Credit Flow to Women:

The forum noted that as of June 2016 the share of credit flow to women in the State constitutes 12.55 % 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.1891.14 Crores for the quarter ended June 2016, under credit flow to Minority Communities.

Convenor, SLBC informed the forum that achievement is 11.90 % against national norm of 15 % of the Priority sector advances.

Shri. A.K.Dogra, Deputy Secretary, Ministry of Finance, Govt. of India advised member banks to achieve the national norms under credit flow to minority communities.

Action: Banks

AGENDA No. 24

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.

Shri.A.K.Dogra, Deputy Secretary, Ministry of Finance, Govt. of India advised that some banks have not issued even a single KCC card to beneficiaries. He urged those banks to arrange to distribute RuPay ATM card to all the KCC account holders immediately.

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):

Senior Consultant (FI), TNSRLM informed the forum that banks in Tamil Nadu have disbursed loan to SHGs to the tune of Rs. 2203 Crores against the target of Rs 6008.20 Crores. Achievement percentage is 37 %. He also advised that as per NRLM guidelines the achievement should be 60 % by September 2016 and 100% by December 2016.

Senior Consultant, TNSRLM informed that 639 recovery camps were conducted in the state and Rs 13.25 Crs has been recovered from NPA accounts under SHG finance. He requested the member banks to provide the list of NPA accounts to Mahalir Thittam office of the respective districts to enable them to organize recovery camps. Banks may use community bank coordinators for business facilitation and recovery.

Chairman SLBC advised that Government should extend necessary support for recovery of NPA in SHGs.

Action: TNCDW / Banks

AGENDA No. 26

DEENDAYAL ANTYODAYA YOJANA - NULM:

Convenor SLBC, informed the forum that up to June 2016, 21561 applications were sanctioned by the banks to the tune of Rs.627.83 crores under NULM - SEP (I), SEP (G), SEP (BL) scheme.

State Director, RSETIs requested that Government of Tamil Nadu should consider reimbursement of training of expenses of urban trainees of RSETIs under NULM as in the case of rural trainees of NRLM.

Action: NULM

AGENDA No. 27

Review of NPA Accounts in Priority Sector Lending - March 2016

Convenor, SLBC informed the forum that NPA percentage under Education loans is very high (15.28 %). He also informed that NPA percentage under MSME is also (8.50 %).

Chairman SLBC suggests that banks may avail the services of Community Bank Coordinators appointed by TNSRLM for recovery of NPA in educational Loan and also for other loans apart from SHG loans.

Chairman SLBC advised that banks may discuss among themselves about recovery of Educational Loan and fixation of commission to the community bank coordinators for recovery of NPA.

AGENDA No. 28

Success Story:

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

TABLE AGENDA:

1. KVIC Revised Budget estimate under PMEGP-2016-17:

Convenor, SLBC informed the forum that KVIC revised the budget estimate under PMEGP for the state of Tamil Nadu for the year 2016-17

A revised target of 4202 projects with a margin money outlay of Rs 8405.01 Lakhs is fixed against the original target of 2645 projects with a margin outlay of Rs 5291.23 Lakhs.

Action: Banks

2. Special Drive for Financial Inclusion initiatives from 15.09.2016 to 31.10.2016

Convenor SLBC informed the forum that Ministry of Finance, Government of India advised to organize a "Special Drive" from 15.09.2016 to 31.10.2016 on the various Financial Inclusion Initiatives like PMJDY, PMMY, PMJJBY, PMSBY, APY and Stand up India to accelerate the momentum already achieved.

He also informed that Ministry of Finance, GoI advised to organize at least 3 events per district during the above Special Drive period to achieve the desired results. They have divided the events into two different tracks as Track 1 and Track 2. The first event to be organized during the campaign period will focus on the activities mentioned under Track 1 and the second and third events to be organized will focus on all the activities mentioned under Track 2.

Convenor SLBC advised that Lead District Manager in consultation with District administration should organise such events. He also advised member banks to instruct all their branches in the State to coordinate with the LDMs in the successful conduct of the events.

Action: LDMs/ Banks

3. Pradhan Mantri Fasal Bima Yojana (PMFBY) - Notification - Rabi 2016-17

Convenor, SLBC informed the forum that Government of Tamil Nadu has issued the notification for crop insurance for Rabi 2016 also. All the details have already been circulated to the member banks/LDMs by SLBC and the notification, guidelines, details of insurance companies, procedure for remittance of premium etc. have been uploaded in the website of SLBC (www.slbctn.com)

Director of Agriculture, Government of Tamil Nadu informed the forum that during Rabi season, nearly 21.00 lakh farmers are proposed to be covered in the State and requested the bankers to cover all the crop loans sanctioned for notified crops in the notified areas under PMFBY

Action: LDMs/ Banks

4. Pending position of TAHDCO applications under various schemes with banks:

Managing Director, TAHDCO informed the forum that out of the sanctioned 46 Mobile ration Shops, 43 have become operational. Convenor SLBC requested that already more than one year time was taken to release the vehicles and the borrowers are loaded with interest for the loan without even commencing the activity. MD, TAHDCO assured that Government is considering reimbursement of interest for the delayed period and the issue is being discussed in their Board.

Managing Director, TAHDCO informed the forum that a total number of 11577 applications are pending 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 where subsidy has already been received, immediately.

Managing Director, TAHDCO also informed the forum that some banks are charging interest for the subsidy portion of the loan also which is kept as back ended subsidy in the form of fixed deposits. Chairman SLBC, requested MD TAHDCO to provide the details of any such instances to SLBC so that SLBC will take up with those banks.

Managing Director, TAHDCO also informed that utilisation certificates are pending from 2012-13 onwards. He informed that nearly Rs 24.77 crores

subsidy is pending. Out of 24.77 crores Rs 13 crores pending at branch level and Rs 11 crores is pending at LDM level. He requested all the banks / LDMs to close the issues immediately.

Convenor SLBC requested all member banks to dispose of the pending applications within 3 months.

Chairman SLBC advised banks to look into the issues pending for 2012-13, 2013-14, 2014-15 immediately and dispose of pending applications / return applications with correct reasons to TAHDCO within 3 months. He advised the banks to look into the cases where subsidy received immediately.

Chairman SLBC advised that before coming to Task Force Meeting, TAHDCO should analyse viability of project/ due diligence of the application so that pending applications will be reduced.

Shri.A.K.Dogra, Deputy Secretary, Ministry of Finance, Government of India observed that if the long pending applications are returned along with the subsidy held then the same can be utilised for another person who will be benefitted by taking up an activity.

Action: TAHDCO / Banks / LDMs

After the review of agenda items by Convenor SLBC, Deputy General Manager, HUDCO, Chennai made a presentation on CLSS scheme under Pradhan Mantri Awas Yojana.

After the presentation by HUDCO, ICICI Academy of Skill Development made a presentation on the skill development initiatives of their organisation in Chennai, Coimbatore and Trichy and requested the members to sponsor candidates for the training programmes.

The meeting ended with vote of thanks by Shri.C.Haridas, General Manager, Zonal Office, Indian Overseas Bank, Chennai.