**State Level Bankers’ Committee, Tamil Nadu**

**Convenor: Indian Overseas Bank**

**Minutes of the 154th Meeting of SLBC**

**Held on 26.06.2018**

The 154th meeting of SLBC, Tamil Nadu was held at Chennai on 26th June, 2018. The meeting was chaired by the Chairman-SLBC, Shri.Ajay Kumar Srivastava, Executive Director, Indian Overseas Bank.

**Welcome Address:-**

Smt. Uma Maheswari, General Manager, Indian Overseas Bank and Convenor, SLBC, Tamil Nadu, welcomed the participants to the 154th meeting of SLBC, Tamil Nadu. She welcomed Smt Anjana Dube, the Nodal Officer for SLBC-Tamil Nadu and the Deputy Director General, DFS, MoF as it was her first Meeting after being nominated as the Nodal Officer. The Convenor highlighted various Meetings - Special meeting of bankers on Gram Swaraj Abhiyan, SLBC Sub-Committee on SHG Bank Linkage, Cluster wise State Level Workshops on PMFBY etc which took place after the 153rd meeting.

Convenor, SLBC informed about conducting of GSA successfully in 1477 villages and launching of EGSA from 01.06.2018 in 583 villages in two aspirational districts – Ramanthapuram and Virudhunagar.

Convenor, SLBC highlighted the RBI’s circular on Revamping of Lead Bank Scheme and the Action Points advised to SLBCs & Lead Banks which would be deliberated in the SLBC Meeting. The convenor also mentioned about the GO issued by Government of Tamil Nadu on implementation of PMFBY in Kharif 2018. The GO was circulated to Member banks and also placed in SLBC website, she said. Further the Convenor, SLBC requested the Insurance Companies to amicably settle the outstanding issues in the broader interests of the farming community.

Convenor, SLBC in her welcome address made a mention of various new issues which would be deliberated upon during the course of the meeting and requested all for their active participation.

**Inaugural Address by the chairman, SLBC: -**

Shri Ajay Kumar Srivatsava, Executive Director, Indian Overseas Bank and Chairman of SLBC, Tamil Nadu in his inaugural address welcomed the participants to the meeting and informed the forum that the performance of banks under various parameters during the FY 2017-18, ie up to the quarter ended March 2018 would be reviewed in the 154th meeting of SLBC.

Chairman, SLBC thanked the Central and State Governments for their active support, guidance and participation in Mudra Promotion Campaign Functions conducted at Chennai and Salem making them a grand success and also thanked the Member Banks, LIC, NABARD, SIDBI, UIDAI, NPCI, BSNL and General Insurance Companies for their active participation.

**Economic Outlook**

Chairman, SLBC mentioned about the raise of interest rate by US Federal Reserve and said that the economic projections indicate raising of interest rates two or more times in the year. He observed that the Indian economy accelerated to 7.7% in the last quarter of FY 2017-18. However, the rise in crude prices would be affecting the growth forecasts, he said.

**Banking sector in India.**

Chairman, SLBC informed the forum that Credit to agriculture and allied activities increased by 5.9 % and the non-food bank credit increased by 10.7 % in April 2018. There is growing affordability for first time home buyers, supported by Government incentives such as PMAY. This is expected to result in a rise in primary home purchases and so the Housing credit growth is likely to pick up to 17-19 per cent, the Convenor anticipated.

Chairman, SLBC observed that there is inordinate delay in the insolvency resolution process against top defaulter companies which is causing futher losses to the banking sector.

**Banking Sector in Tamil Nadu:**

Chairman, SLBC expressed satisfaction over the performance of Banks in the state of Tamil Nadu, under various parameters during the year 2017-18. Deposits grew to Rs.7,71,739 crores as of March 2018 recording a growth rate of 7.92% y-on-y basis and Credit grew by 12.84% y-on-y to Rs.7,84,769 crores. The CD ratio stood at 109.34% as against the national norm of 60%.

Chairman, SLBC listed the following performance highlights of the banks in Tamil Nadu during the year 2017-18:

1. CD ratio of the State continues to be above 100 % and reached **109.34%**.
2. Deposits have increased by **7.92 percent (**YoY) to Rs.7,71,739 crores
3. Credit has grown by **12.84 percent (**YoY) to Rs.7,84,769 Crores.
4. Priority Credit stands at **51.27 percent** (against the norm of 40%)
5. Agricultural Advance stands at **22.54 percent** (against the norm of 18%)

Chairman, SLBC informed the forum that banks have achieved 93% of the target under Annual Credit Plan in the FY 2017-18 while the achievement was 91% under Priority Sector and 87% under Non Priority sector. Under priority sector, he further informed the forum that banks have achieved 90% under Farm Sector and 99% under MSME. He advised the member banks to endeavour to reach 100 % under each sector.

**Financial Inclusion**

Chairman, SLBC informed the forum that in line with the Govt of India’s priorities, RBI has advised SLBCs to place “Review of Financial Inclusion Initiatives, expansion of banking network and financial literacy” as the first agenda in the SLBC Meetings. In the wake of clarification received from RBI on opening of Banking Outlets by Banks under PCA, the convenor called upon the Bankers to select the URCs and proceed for opening of BOs on a priority basis.

Chairman, SLBC thanked the fellow bankers for their active participation in GSA for making it a grand success, he advised to repeat the same in the ongoing Extended GSA Campaign in the Aspirational districts.

**Agriculture**

Chairman, SLBC commended the Banks in Tamil Nadu for continuously surpassing the Ground Level Target fixed by NABARD. He said that as against a target of **Rs.92,250 Crores,** Banks have disbursed **Rs.1,01,253 crores** during Financial year 2017-18. He advised to achieve the GLC target of **Rs.1,01,514 crores** fixed for the current year including the sub target of 35% allocation for Term Loan purposes.

Chairman, SLBC noted with happiness the Rs.3499 Crores of claims settled by insurance Companies to the farmers under PMFBY for the year 2016-17. He requested the Insurance companies to amicably settle the outstanding issues of Banks, in the broader interests of the farming community.

**MSME:**

Chairman, SLBC appreciated the banks in the state for disbursing a sum of **Rs.90,291 crores** to MSME sector during the FY 2017-18 with loans to Micro enterprises reaching 47.03% level and disbursements under MUDRA loans at **Rs.24,981 crores.**

Chairman, SLBC noted with concern the increase in NPA level under MSME to **Rs.12,481 crores (8.99%)** by March 2018 and said that the MSME Industry associations and the State Government should help the banks in recovery.

**Education Loans:**

Chairman, SLBC noted that Banks in Tamil Nadu continues to sanction education loans on a larger scale and said that Loans to Education stood at **Rs.16,709 crores** as on March 2018. He further said that NPA level reached **Rs.2,802 crores** an increase from 13.76% **to 16.77%** during the one year period. The Chairman, SLBC made an appeal to the Government to help the banks in recovery of such NPA loan accounts.

**STAND UP INDIA SCHEME:**

Chairman, SLBC informed the forum that Banks have disbursed **1631** loans during the year amounting to **Rs.223.12** **crores.** The performance was not satisfactory, he noted. He suggested to check for under reporting and non-reporting and appealed to all the Member Banks to finance to SC/ST and women entrepreneurs.

**Recovery Challenges**

Chairman, SLBC mentioned that Banks are lending to the targeted sectors/sections of the society through directed lending through various sponsored schemes and also highlighted the issue of rising NPAs. The Government has enacted SARFAESI Act to strengthen the hands of the Banks but banks are facing some challenges in implementing the provisions of the same, the Chairman said. He informed the forum that applications under Section 14 of the Act for taking actual possession of the property are pending with the District Magistrates for longer periods ranging from 2 to 3 years whereas the same should have been disposed off within a period of 30 days, as per the Act. He sought the support of the State Government in implementation of the provisions of the Act and help the banks in recovering their dues fast.

Chairman, SLBC mentioned about modifications in norms and guidelines for NEED Scheme and policy changes in CGTMSE. He called upon the Member Banks to increase lending under NEEDS, Stand Up India and to SHG financing.

The overview of data received from all the sponsoring departments indicates that the targets set for the year 2017-18 are surpassed in most of the schemes and achieved satisfactory levels in the remaining schemes. Almost all the departments have given targets under various Schemes, for the financial year 2018-19.

Further, the Chairman, SLBC congratulated all the bankers for their good work which resulted in surpassing of targets under most of the parameters in the year. He requested them to achieve the targets under all Government schemes and also under Annual Credit Plan in the current financial year too.

He thanked the Central and State Governments, RBI and NABARD, for their good support and guidance given to the member banks and to SLBC.

**Keynote Address: -**

**Smt Anjana Dube, Deputy Director General, Department of Financial Services, Govt of India in her key note address observed the following.**

1. SLBC is a forum for the State Government and the Banks to come together to fulfil the visions of Government like Financial Inclusion and to ensure the credit and other banking services reach the nook and corner of the country.
2. Tamil Nadu has a long history of Co-operative movement as well as SHG movement.
3. Availability of financial services is much better in the state compared to other states in northern India.
4. Banks in Tamil Nadu have achieved all targets in GSA and the same to be repeated in eGSA also.
5. Efforts to be taken to cover all PMJDY account holders under Jansuraksha schemes.
6. Aadhar authentication is around 50%. So Banks should concentrate on this.
7. Credit to women is around 17% in the state of Tamil Nadu and is better than many other states.
8. Progress under Stand Up India scheme is not encouraging and Banks are advised to focus on this area.

**Shri. K. Shanmugam, Additional Chief Secretary, Government of Tamil Nadu observed the following:**

1. Agricultural loans for crop cultivation are necessary but credit for investment would trigger growth. Shift towards investment credit is observed in the state of Tamil Nadu which is a good trend.
2. The scenario in Agriculture is changing and is calling for new approaches and interventions. Guidance for collective farming is to be given in the place of individual farming.
3. Agriculture is facing stereo type issues like price risk and production failures. These can be mitigated by Minimum Support Price System and Crop Insurance (PMFBY) respectively. Contract Farming/Collective farming would help in getting reasonable prices for the produce.
4. For Doubling of Farmer’s Income and to have increased Farm Growth – Technology interventions, post-harvest interventions and farm level interventions are necessary. Bankers can support in all these areas.
5. Government of Tamil Nadu has launched various schemes like- Dry land agriculture through cluster approach, development of all stages involved in supply chain with the help of NABARD, impetus to collective farming, launching of integral farming etc
6. Focus on technology, diversification in agriculture and agro processing would help in increased on farm and off farm income to the farmers.
7. Impetus to rural industries / MSME in rural areas provides employment in rural areas itself and avoids urbanisation.
8. Tamil Nadu has got very good potential for exports. This is to be tapped.

**Shri. K. Balu, Chief General Manager, RBI in his special address highlighted/ observed the following:**

1. CGM RBI highlighted the major points of the bi monthly monetary policy

announcements made on June 6, 2018

1. Reserve Bank of India, to revamp Lead bank Scheme, has advised action points to SLBCs and Lead Banks. SLBCs to focus more on policy matters for overall economic development through banking infrastructure, matters related to health of financial/ banking sector, rural infrastructure review of NPAs in Govt Sponsored Schemes etc.
2. SLBC to function through sub committees and steering committee.
3. RBI has advised to empower the Lead district Managers
4. Interest Subvention scheme for short term crop loans continues for the year 2018-19.
5. Depositor Education and Awareness Fund – interest rate reduced from 4.00 % to 3.50 %.
6. RBI has liberalised NPA classification of MSME advances. Now unregistered MSMEs would also have 180 days norms for classification of the account as NPA and would revert to 90 days norms by May 2019.
7. RBI has instructed the commercial banks and other regulated entities not to associate with transactions involving Bitcoins. Three months time is given to disassociate fully.
8. ATM cash cassettes to be in a lockable manner. RBI has advised roadmap in this regard.
9. RBI has observed that many ATMs are functioning on software which is not supported and is outdated. They are vulnerable for malware attack. Banks should focus on this.
10. Loan limit for treating the Housing finance as priority stands enhanced to Rs.35 Lakhs and Rs. 25 Lakhs for metro and other centres respectively.
11. Bankers should be sensitive to the banking needs of the pensioners and ex-servicemen. Complaints in this regard to be avoided.
12. Mobile penetration is very good and mobile based transactions are on the rise.
13. Banks should take forward the digital banking transactions while addressing the associated risks.

**Smt.Padma Raghunathan, Chief General Manager, NABARD in her special address observed the following:**

1. Dairy entrepreneurship Development scheme (DEDS) is continuing for the current year. Implementation is through digital mode. Rs.11.00 crores of subsidy allocated to the state of Tamil Nadu.
2. Water Campaign was conducted in about 6500 villages spread across 15 districts in the state during the last year, stressing the importance of water conservation and usage.
3. Campaign on Climate Literacy with a focus on water conservation and crop diversification would be conducted in the current year in 15 districts including the aspirational districts.
4. NABARD is supporting climate change – adoption and mitigation.
5. In the pilot project “eSakthi”, digitisation of SHGs is going on in Tiruvannamalai district. The SHG data would be very useful to the Banks. Such facility is already available in other states.
6. NABARD is promoting farmers clubs, JLGs, SHGs and FPOs for credit linkage, technology transfer etc.
7. Requested the Co-operative Banks and RRBs to upload the details of KCCs issued in ENSURE portal for submission to Ministry.
8. Requested the Banks for 100% achievement of ACP 2018-19 and advised to increase Term Loan lending.

**Minutes on the Action Taken Report for the 153rd SLBC Meeting:-**

1. **RBI –Credit flow to MSME clusters – Role of RSETIs :-**

Convenor, SLBC placed the progress to the forum and suggested to take forward the subject matter of Identification of MSME clusters by RSETIs in the SLBC Sub-Committee proposed to be formed as per RBI’s circular on “Revamp of Lead Bank Scheme”.

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

Convenor, SLBC informed the progress in Study of MSME clusters by LDMs. Further the Convenor also suggested to take forward the subject matter in the SLBC Sub-Committee proposed to be formed as per RBI’s circular on “Revamp of Lead Bank Scheme”.

1. **Opening of Banking Outlets in Unbanked Rural Centres (URCs)**

Convenor, SLBC placed the progress in opening of Banking Outlets by Banks in the URCs earmarked to them. The forum noted that Bankers are not coming forward to select the URCs for opening of BOs and still there are 333 URCs remaining to be selected by Banks.

The Additional Chief Secretary suggested to allot the URCs among the Banks in a consensus manner for opening BOs within a fixed timeline. CGM, RBI suggested to send the list of URCs to Member Banks advising to select the URCs for their Bank. Follow up of opening of BO may be reviewed in the district Level Meetings.

**Action: SLBC/LDMs/Banks**

**AGENDA NO: 01**

**CONFIRMATION OF THE MINUTES OF THE EARLIER MEETING**

The forum confirmed the minutes of the 153rd State Level Bankers’ Committee Meeting convened on 08.03.2018.

**AGENDA NO: 02**

**Gram Swaraj Abhiyan – from 14.04.2018 to 05.05.2018**

Convenor-SLBC stated that the Special Campaign- **“Gram Swaraj Abhiyan”** **from 14.04.2018 to 05.05.2018** launched by Govt of India in 1477 villages spread over 30 districts in the State of Tamil Nadu was a grand success and the Banks surpassed the targets under all the Bank related three schemes – PMJDY, PMJJBY and PMSBY and achieved 100% saturation.

**AGENDA NO:03**

**Extended Gram Swaraj Abhiyan (eGSA) in Asprirational Districts from 01.06.2018 to 15.08.2018**

Convenor-SLBC informed the forum that Government of India with the success of “Gram Swaraj Abhiyan”(GSA) hasextended the GSA to 115 Aspirational Districts. Ramanthapuram and Virudhunagar are the two aspirational districts in the state of Tamil Nadu which have 302 and 281 villages with above 1000 population. With good support from the District Administrations, the Banks have arrived at the targets, Camps are being conducted and there is good progress. The Convenor called upon the Member Banks to actively participate and achieve the goal of 100% saturation well within the time.

At this juncture, the Director Fisheries informed the forum of the Government of India’s flagship scheme of Diversification of Trawlers in the coastal districts adjoin Palk Bay including the Aspirational Districts. The Unit Cost is Rs.80 lakhs of which the subsidy is Rs.54 lakhs. Financial Institutions have to extend Rs.16 lakhs as loan for one Tuna Long Liner. Further he stated that the advance is eligible for coverage under CGTMSE.

The Director also said that Pandyan Grama Bank has already started financing the boats and he requested other bankers to come forward and finance. Convenor-SLBC stated that it is good business proposition and Indian Overseas Bank has also sanctioned a few loans. She suggested that the other Banks too to come forward and finance.

**Action: Banks**

**AGENDA NO: 04**

**RBI– Revamp of Lead Bank Scheme – Action Points for SLBC Convener Banks / Lead Banks**

Convenor-SLBC placed the details of RBI’s circular on Revamp of Lead Bank Scheme, wherein RBI had advised action points to SLBC which, inter alia, includes constituting various sub committees and revising SLBC agenda. SLBC had suggested constituting six sub committees including the steering committee and Issue Specific sub-committee. The forum deliberated on the matter.

CGM RBI opined that six committees may be unwielding and suggested that the number of committees may be restricted to three or four.

The model agenda items mentioned in the circular are only suggestive in nature and he advised that the bankers may come out with major suggestions to SLBC to make the SLBC Meeting more effective and outcome oriented.

The Secretary to Government, MS & ME Department suggested to take the MSME Associations in to the sub-committee to enable them to place issues pertaining to MSMEs. CGM, RBI replied that the framework finalised by the Committee of Executive Directors of RBI does not permit for the Self Regulating Organisations (SROs) like Industry Associations, Chamber of Commerce etc to be in the SLBC Committees. However the suggestion from the Government may be taken up by SLBC with RBI for seeking their Head Office direction. The Nodal Officer, DFS, Ministry of Finance advised that the Government Departments should meet the SROs and their aspects/suggestions can be brought into the SLBC forum by the State Government.

Based on the discussions, the Forum decided to have three Sub- Committees.

**Action: SLBC/Banks**

**AGENDA NO:05**

**RBI– Clarification regarding creation of charge for KCC limit up to Rs.1 lakh**

Convenor-SLBC informed the forum that RBI in its letter to Canara Bank has reiterated that in terms of KCC guidelines, Banks shall sanction loans upto Rs.1 lakh for short term crop production ‘only on hypothecation of crops’ and without margin or security. Hence, ‘Noting of bank’s lien’ on land records for KCC loans of Rs 1 lakh or below is not in order and is violation of the extant guidelines, RBI observed.

**Action: Banks**

**AGENDA NO: 06**

**RBI– Continuation of Financial Literacy by FLCs and Rural Branches**

Convenor-SLBC advised that the RBI has conveyed continuation of holding Special Camps by FLCs and Rural Branches on “Going Digital ". Banks have to conduct the Financial Literacy camps accordingly. CGM, RBI informed that the camps are intended to create awareness among the general public on using digital modes for their transactions in the light of increasing cyber frauds/cheating. Awareness builds trust and confidence in the minds of general public, otherwise they may shun usage of digital modes and revert back to branch based transactions.

**Action: Banks**

**AGENDA NO:07**

**RBI– Opening of Banking Outlets by Banks under Prompt Corrective Action – clarification.**

Convenor-SLBC advised the forum that Reserve Bank of India has clarified that there is no bar on the banks under PCA for opening of Banking Outlets in rural areas other than through brick and mortar branches. Even the RBI’s circular does not restricts opening of Banking Outlets in the form of fixed point BC outlets by PCA Banks. Even the DFS has also clarified on the aspect. In view of all the above, Convenor-SLBC requested member banks under PCA also to identify the villages from the list of Unbanked Rural Centres (URCs) placed in SLBC website, get them ear marked at SLBC and proceed for opening of Banking Outlets.

**Action: Banks**

**AGENDA NO:08**

**NABARD - Ground Level Credit Target for Agriculture-State wise and Agency wise target for the year 2018-19**

Convenor-SLBC informed that Govt of India has allocated Rs.11, 00,000 crores as the total target for agricultural credit for the entire country for the year 2018-19 and Tamil Nadu state has been allotted a target of Rs.1,01,514 crores. Which is higher by Rs.9,264 crores (10.04%) over the last year’s target. Banks in the state have projected a target of Rs.1,22,323.44 crores under Annual Credit Plan for the year which is 20.50% higher than the target allocated. The Convenor requested the Bankers to achieve their ACP target and surpass the target set by GOI.

**Action: Banks**

**AGENDA NO: 09**

**NABARD - Allocation of Targets for Bank Linkage of JLGs**

Convenor-SLBC informed the forum that NABARD has allocated a target of 58000 JLGs to Tamil Nadu for Bank Linkage for the year 2018-19. The district wise target was communicated to LDMs for onward allocation to Member Banks. Convenor-SLBC advised the Member Banks to extend financial assistance to JLGs on a larger scale.

**Action: SLBC/LDMs/Banks**

**AGENDA NO: 10**

**Scale of Finance for various crops for the year 2018-19**

Convenor-SLBC informed that the Scale of Finance (SoF) fixed by the State Level Technical Committee (SLTC) for various crops for the year 2018-19 was circulated to Member Banks and was also placed in SLBC Website. The Convenor advised the Member Banks to make available the Scale of Finance to their Branches.

**Action: Banks**

**AGENDA NO: 11**

**PMFBY – Notification of Agricultural and Horticultural crops and areas for Kharif 2018-19**

Convenor-SLBC informed of Government’s Notification of crops, Areas, Premium rates etc for Kharif Season 2018-19 under PMFBY and advised the Member Banks to communicate the information to their implementing branches in the state for necessary action.

The Agriculture Officer of Department of Agriculture informed that there are unreconciled premium entries with respect to about 500 Bank branches. He also said that Declarations submitted are not in order, submission is delayed and uploading the data is not being done within the cut off dates. Bankers would face the risk of settling the claim if not accepted by Insurance companies.

The Convenor requested the Bankers to reconcile the entries on priority basis. Further, the Convenor also advised to ensure adhering to timelines with regard to premium debiting and remittance, submission of declarations as well as uploading the farmers’ details in the Govt of India’s Crop Insurance portal.

The Chairman, Pandyan Grama Bank informed the forum that they have PMFBY claims related issues with ICICI Lombard Insurance Company which are pending for more than a year because of which their Branches are facing the wrath of the farmers. The Agriculture Officer of Dept of Agriculture informed that their Director is in New Delhi and is taking up the matter with the Govt of India.

The Chairman, Pandyan Grama Bank requested to ensure that the Insurance companies have their service points in every district.

**Action: Banks/ Agri Dept/ SLBC**

**AGENDA NO: 12**

**​NEEDS – Modifications in Norms and Guidelines**

Convenor-SLBC informed the forum of Modifications in Norms and Guidelines for NEED Scheme. The important modifications/changes being increasing the procject cost to Rs.5.00 Crores without change in the maximum subsidy component at Rs.25.00 lakhs, Inclusion of partnership concerns under eligibility categories, reduction in training period, revision of EDP course content etc. The Copy of the G.O.(Ms) No.13 dated 24.04.2018 issued by MSME Department of Government of Tamil Nadu containing the modification details was already circulated, she said.

Convenor-SLBC advised the Member Banks to make note of the modifications in the guidelines and called upon the Member Banks to actively participate in implementation of this prestigious scheme of the State Government.

**Action: Banks**

**AGENDA NO: 13**

**CGTMSE – Some Policy Changes**

Convenor-SLBC highlighted the major policy changes which were recently brought about by CGTMSE. They are - Charging of guarantee fee on outstanding loan, Inclusion of Retail Trade as an eligible activity for coverage, Allowing partial collateral and Digitising of processes to reduce turnaround time. The communication was already forwarded to Member Banks. The Convenor advised the Member Banks to note the policy changes and wished that these changes would result in increased exposure to MSEs.

**Action: Banks**

**AGENDA NO: 14**

**Closure of IOB RSETI, Kothagiri**

Convenor, SLBC tabled the representation received from SNEHA Trust, Indian Overseas Bank for closure of their RSETI at Kothagiri in The Nilgiris district.

The Convenor-SLBC informed the forum that Canara Bank which is having the Lead Bank responsibilities in the district is already having its RSETI in existence in the district Head Quarters, Ooty for a longer period. The state Government has allocated the land and the construction of Building is under progress. Since, the RSETI at Kothagiri is an additional RSETI in the Nilgiris district established by the SNEHA Trust of IOB, there is no scope for allocation of land to its buildings by the Government, the Convenor said. In view of which, the District Level RSETI Advisory Committee (DLRAC) in its meeting conducted on 21.03.2018, has already accorded permission for closure of IOB’s RSETI at Kothagiri and on the advise of the National Centre for Excellence of RSETIs (NACER), Bengaluru, the proposal for closure of RSETI is placed in the SLBC for approval, before taking up with the Ministry of Rural Development, the Convenor informed.

The forum deliberated on the subject matter and accorded permission for closure of RSETI established by SNEHA Trust of IOB at Kothagiri in the Nilgiris district.

**AGENDA NO: 15**

**SARFAESI Act 2002 – Delay in disposal of application for taking actual possession of property**

Convenor, SLBC informed the forum that Member Banks are bringing to the notice of SLBC that their Applications filed under Section 14 of SARFAESI Act with the District Magistrates (District Collectors in case of Tamil Nadu)/ Chief Metropolitan Magistrates to take actual possession/control over the property are pending for very longer periods, delaying further the process of recovery of NPAs. The Convenor SLBC further informed the forum that as per the provisions of the Act, the District collectors are supposed to act on that application within a period of 30 days for the purpose of taking possession.

Even the Secretary to the Government of Tamil Nadu (Expenditure) in the letter dated 03.08.2017 had advised all District Collectors to take action as per the provisions of SARFAESI Act, in spite of which the delay continues.

Bank of Baroda and Tamil Nadu Mercantile Banks have filed contempt/writ petitions in a few cases, the Convenor-SLBC said.

The forum deliberated on the subject matter and it was decided that SLBC shall write to the Commissioner of Land Administration with the pendency details of major banks to include the matter in their periodical review with the District Administration.

**Action: SLBC/LDMs/Banks**

**AGENDA No: 16**

**Review of Banking Developments in Tamil Nadu in key parameters as of Mar, 2018:**

The number of bank branches increased by 111 and reached 10612 branches as on 31.03.2017. The forum noted that the year on year incremental deposits & credit growth as of March, 2018 was 7.92% and 12.84% respectively over March 2017. The CD Ratio increased from 104.58% as of March 2017 to 109.34 % as of March 2018. The share of Priority Sector advances and agricultural advances recorded 51.27% & 22.54% respectively as against the national norms of 40% and 18% respectively.

The forum also noted that credit to MSME sector grew by 12.79% to Rs.1,40,313 crores as on March 2018 while the growth in Housing sector reduced by 4.34% to Rs. 30,604 crores. Education loans came down by 3.06%, probably due to recoveries, the forum noted. The forum also noted that advances to Weaker Sections grew by 9.96% during the year over March 2017.

In case of Co-operative banks, while the deposit level came down to Rs. 36,020 Crores and Advances to Rs. 27,801 Crores with Priority Sector Advances recording Rs. 11,317 Crores. However, slight reduction is observed in CD Ratio from 78.60% as of March 2017 to 77.18 % as of March 2018.

CGM, RBI referring to decrease in Housing Finance, suggested that the data be perused again for its correctness.

Nodal Officer, DFS noted that about 70% of Shishu category MUDRA loans are extended by NBFCs and Micro Finance Institutions. She urged that the Public Sector Banks shall take a cue from this and come forward to finance more loans to micro enterprises.

**Action: Banks/SLBC**

**AGENDA No: 17**

**Review of performance under Annual Credit Plan 2017-18 (April 2017 to March 2018):**

The forum took on record, the achievements from April 2017 to March 2018 under ACP 2017-18. Under Priority Sector, the banks in Tamil Nadu have achieved 91% of ACP target. Sub sector wise, Banks achieved 90% under agriculture, 99% under MSME, 91% under Education, 86% under housing etc. The achievement under Export Credit, Social Infrastructure and Renewable Energy was less than 70%, the forum noted. The achievement under Non Priority Sector was 87% of the set target. The overall achievement under ACP 2017-18 was 93%.

**AGENDA NO 18**

**Annual Credit Plan 2018-19**

Convenor, SLBC informed the forum that in the Annual Credit Plan for the financial year 2018-19, banks have projected an overall credit flow of Rs.2,19,954.02 crores under both PRIORITY and NON PRIORITY sectors. She further informed that the Banks in Tamil Nadu have projected an outlay of Rs.1,22,323.44 crores under agriculture sector (Priority) which is higher by Rs. 20,809.44 crores (higher by 20.50%) than the Ground Level Credit target of Rs.1,01,514 crores fixed by NABARD for 2018-19 based on the budgetary allocation.

Convenor, SLBC wished that with the active participation of the member banks as well as LDMs, the target set for the state under the Annual Credit Plan for the year 2018-19 would be achieved. She also requested for the support of Govt Departments and agencies of the Government for achieving 100%.

**Action: Banks / LDMs/ Government Departments**

**AGENDA No. 19**

**Micro, Small and Medium Enterprises (MSME) sector:**

The Convenor, SLBC informed the forum that a sum of Rs. 90,290.97 crores was disbursed during one year period from April 2017 to March 2018 to Micro, Small and Medium Enterprises. Credit flow to Micro sector increased to 47.03% from 45.23%, a year ago. The Convenor advised the member banks to improve their lending to Micro Sector as already suggested by the Nodal Officer, DFS.

**Action: Banks**

**AGENDA No. 20**

1. **Prime Minister’s Employment Generation Programme (PMEGP):**

The Convenor, SLBC informed the forum that banks in the State have disbursed 4083 projects with a margin money assistance of Rs.97.40 crores resulting in generation of employment for 32822 persons.

The State Director, Khadi & Village Industries Commission clarified that the PMEGP target was revised and the present achievement is 134% of the revised annual target of Rs.72.60Crores. He thanked the bankers for surpassing the target. He further informed the forum that KVIC has given one more opportunity to claim Margin Money for the pending cases and the last date is 31.08.2018. Convenor, SLBC advised the Banks to make use of the opportunity.

1. **PMEGP – TARGET FOR 2018-19**

The State Office of Khadi & Village Industries Commission vide their letter dated 15.05.2017 advised the Bankwise and district wise targets under Prime Minister’s Employment Generation Programme (PMEGP) for 2018-19. The physical target is 2976 numbers and financial target is Rs.74.38 Crores with generation of employment to 23,808 people. The State Director, KVIC said that already sufficient number of applications are with the banks which could cover the target. Convenor, SLBC advised the member banks to process the applications and also claim the margin money in the pending cases by 31.08.2018.

1. **NEEDS – Modifications**

Convenor, SLBC informed the forum that the Government of Tamil Nadu has brought in modifications to NEED Scheme and the same are communicated to Member Banks. She advised the member banks to make note of the same while processing the applications.

**Action: Banks**

**AGENDA No. 21**

**PERFORMANCE UNDER NEEDS & UYEGP 2017-18 -DIC**

Convenor, SLBC informed the forum that Banks have sanctioned 6912 loans under UYEGP with subsidy claim of Rs.44.59 Crores and 3773 applications are with the banks. In case of NEEDS, Banks have issued 823 provisional sanctions with subsidy outlay of Rs.99.16 Crores and 605 Actual Sanctions with a subsidy out of Rs.70.25 Crores. While the performance under UYEGP is good, there is a need to improve the performance under NEEDS, she said.

The Secretary to Government MSME Department, Government of Tamil Nadu stated that Banks are seeking higher margin contribution from the applicant and also security under NEEDS. Further banks are not claiming Interest Subvention in the case of eligible accounts. He requested to extend loans with CGTMSE coverage. He thanked RBI for increasing the NPA time norms from 90 days to 180 days for categorising a MSME loan as NPA.

The Convenor, SLBC stated that there would be good progress under NEEDS with policy changes brought in by CGTMSE and requested the member banks to extend financial assistance to applicants under NEEDS who are first generation entrepreneurs.

**Action: Banks**

**AGENDA No. 22**

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

Convenor, SLBC informed the forum that 31 RSETIs in Tamil Nadu have conducted 1074 training programmes during April 2017 to March 2018, wherein 26984 persons were trained of which 15112 persons secured employment and 7002 persons have availed credit from banks to set up their own enterprises.

**Action: RSETIs/ Sponsor Banks of RSETI**

**AGENDA No. 23**

**Financial Literacy & Credit Counselling Centres (FLCCC):**

Convenor, SLBC informed the forum that 62 FLCCCs are functioning in the state and they have conducted 545 Special Financial Literacy Camps during the quarter ended March 2018. Besides, FLCs in the state had organized 972 target specific camps in the state.

She mentioned that RBI has advised continuation of conducting of special camps on “Going Digital”. She advised FLCs to conduct special camps and also Rural Branches to conduct one literacy camp per month on digital platforms.

**Action: Sponsor banks of FLCs/ Banks**

**AGENDA No. 24**

**Details of Educational Loan disbursement from April 2017 to March 2018**

The forum noted that 61147 loans to the tune of Rs.1296.94 crores have been granted during April 2017 to March 2018 by the banks, of which loans for Engineering/Medical courses account for 38442 loans amounting to Rs 828.30 Cr, 2344 loans for study abroad amounting to Rs.177.61 Cr and 29103 loans to others, to the tune of Rs. 291.03 Cr.

**AGENDA No. 25**

**Bank finance under Housing Scheme:**

The forum noted that banks in Tamil Nadu have disbursed 96628 housing loans (up to a limit of Rs.28.00 lacs) to the tune of Rs.8007.88 Crores to the Housing Sector during April 2017 to March 2018.

**AGENDA No. 26**

**Golden Jubilee Rural Housing Finance Scheme (GJRHFS):**

The forum noted that banks in Tamil Nadu have disbursed 966 loans amounting to Rs. 2433.58 lacs during the quarter ended March 2018 under the above scheme.

**AGENDA No. 27**

**Credit Flow to Women:**

The forum noted that as of March 2018 the share of credit flow to women in the State constitutes 17.89 % of total Bank credit against the national norm of 5.00%. The Convenor, SLBC requested the Member Banks to draw the data directly from CBS and submit on time to SLBC.

**AGENDA No. 28**

**Credit flow to Minority Communities:**

The forum noted that the achievement was to the tune of Rs.3729.70 Crores for the quarter ended March 2018, under credit flow to Minority Communities.

Convenor, SLBC urged the Banks to increase credit to Minority communities and also advised to check for under reporting and non-reporting before submission to SLBC.

**Action: Public Sector Banks/ Minorities Welfare Department**

**AGENDA No. 29**

**Kisan Credit Card Scheme (KCC):**

The forum noted that banks in Tamil Nadu have issued 21,86,474 Kisan Credit Cards to the tune of Rs. 15,420.64 Crores as at March 2018. The total number of ATM enabled Kisan Credit Cards issued are 14,87,047.

SLBC Nodal officer, DFS expressed the concern on the usage of ATM enabled Rupay Cards which is very less. There is huge variation between KCC cards issued and the data on usage initiation of the ATM enabled KCC cards at the field level which needs to be addressed at the district level, the Nodal Officer said. Further, she requested the member banks to speed up issuance of ATM enabled KCC to the farmers and ensure the usage of KCC Cards.

Convenor SLBC advised all the member banks to achieve 100% issuance of ATM enabled Rupay KCC cards and educate their KCC borrowers on the benefits of usage.

**Action: Banks**

**AGENDA No. 30**

**Self Help Groups (SHG / NRLM):**

Convenor SLBC informed the forum that achievement under SHG Bank Linkage was satisfactory for the State of Tamil Nadu for the year 2017-18. Banks disbursed Rs.8331.73 Crores as against the target of Rs. 10,500 Crores (enhanced from 7000 crorers). Achievement stood at 79.35%.

Mr Pravin Nair, Managing Director, TNCDW said their office takes care of implementation of TNSRLM and TNULM. He informed the forum that the progress under SHG bank linkage is stood 119% keeping target as 7000 crores since its increased to 10500 crores in mid of the year and thanked the banker for coming forward in disbursements to SHGs. The target of Rs.11000 crores for the year 2018-19 has been fixed and the achievement has been not up to the expected level. Their Office proposes a Campaign - July 2018 to be considered as a month of SHG Bank Linkage Program to boost up disbursements.

The MD TNCDW informed the forum that all SHG groups are eligible for 5.50% interest subvention while the Women SHGs get an additional 3.00% interest subvention. He further said that disbursements reported in the portal alone are eligible for interest subvention.

MD TNCDW informed that some of the Private Bank are not uploading data in the NRLM portal, and lastly DCCBs and PACS are also not participating.

He also told that the bank wise performance under SHG bank linkage has been stagnating or shrinking in case of nationalized banks and requested the banks to improve the same. He said that the NPAs are around 20% pertaining to Pre TNSRLM period where as the same is around 3 to 4% in case of SHG loans from 2011, ie TNSRLM period. The MD further said that presently about 2000 officials in TNSRLM who involve themselves in the entire life cycle of SHG Finance, not for the loan disbursement alone. He assured that TNCDW would help the banks in recovery in three modes - conducting recovery camps, providing the services of Community Bank Coordinators and through the meetings of CBRM Committees.

The Nodal Officer commended the progressive steps taken up by the State Government with regard to SHG Finance and urged the Bankers to make use of the assistance extended by TNCDW.

**Action: TNSRLM / Banks**

**AGENDA No. 31**

**DEENDAYAL ANTYODAYA YOJANA - NULM**

The forum noted that 109795 loans were disbursed with a total outlay of Rs.3120.09 crores during 2017-18.

Shri. Praveen Nair, MD TNCDW said that NULM is the flagship poverty reduction scheme for urban areas. The loans sanctioned under the scheme are eligible for interest subvention. He requested the banks to provide details of Mudra loans under Shishu category to verify for their eligibility for getting the benefit of interest subvention.

**Action: NULM & RBI**

**AGENDA No. 32**

**Tamil Nadu Government’s Scheme for Poultry Development:**

Dept of Animal Husbandry, Govt. of Tamil Nadu has informed that 2017-18 scheme for Broiler and Native chicken units have been completed successfully except one Broiler unit in Villupuram District which also is nearing completion.

**Action: Bank**

**AGENDA No. 33**

**Progress Report on Stand Up India Scheme.**

The forum noted that the achievement under Stand Up India Scheme was 3851 sanctions to the tune of Rs.656.67 Crores as on 31.03.2018. Considering the number of bank branches in the state, the Convenor, SLBC said that there needs to be more number of sanctions.

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

**Action: Banks**

**AGENDA No. 34**

**Progress Report on Pradhan Mantri Mudra Yojana (PMMY).**

The forum noted that the disbursement was to the tune of Rs. 24980.92 Crores during the year ended March 2018, under Pradhan Mantri Mudra Yojana Scheme of which loans under Shishu category are more, both number-wise as well as amount-wise.

Convenor SLBC, requested the Member Banks to actively involve themselves in financing MUDRA loans under PMMY.

**Action: Banks**

**AGENDA No. 35**

**Review of Performance under Pradhan Mantri Awas Yojana – Credit Linked Subsidy Scheme (PMAY – CLSS)**

The forum noted that the performance of CLSS as on 30.03.2018 advised by National Housing Bank.

The representative from National Housing Bank informed the forum that there has been improvement in the performance and requested Member Banks to extend their support to achieve more. He further said that NHB is ready to provide training for the Bankers and the public to create awareness about the scheme. He informed the forum that the carpet area for MIG I and II increased from 120 to 160 sq meters and 150 to 200 sq meters respectively in implementation of PMAY.

**Action: NHB & HUDCO/Banks**

**AGENDA No. 36**

**Review of NPA Accounts in Priority Sector Lending- March 2017**

Convenor, SLBC informed the forum that NPAs have increased in absolute terms and percentage terms during the year 2017-18 under Priority sector Advances. She further informed the forum that NPA percentage under Education loans is very high and stood at 16.77%.

Convenor SLBC requested State Government to provide necessary support for NPA recovery.

**Action: Banks / State Govt.**

# Table Agenda 1

**NABARD-Dairy Entrepreneurship Development Scheme continues in 2018-19**

The forum noted the continuation of DEDs and the allotment of budget for Tamil Nadu is Rs. 10.99 crores.

Convenor SLBC, explained the salient features of DEDS and advised member banks to ensure the subsidy claims are uploaded within the stipulated time.

**Action: Banks**

**Table Agenda 2**

**Progress under TAHDCO Scheme**

The forum noted that Banks have sanctioned 7681 loans with a financial outlay of Rs.6172.40 lakhs under various Economic Development Schemes of TAHDCO. There are 14605 applications with banks and 6029 UCs are to be received from the Banks.

Convenor SLBC advised the member banks to process the applications and dispose off / return with reasons.

**Action: Banks**

**Table Agenda 3**

**Progress under Weaver MUDRA scheme- 2018-19**

Convener, SLBC informed the forum that the target of 20,000 units is fixed for the year 2018-19. The Department has sponsored 4899 applications and banks have given 579 sanctions. The Official from the department informed the forum that Tamil Nadu continues to stand first in implementation of the scheme for the last three years and thanked all banks. He requested the Bankers to claim the Margin Money and Interest Subvention amount through the Weavers Mudra Portal.

Convenor, SLBC advised the member Banks to expedite processing. Bring down the pendency and claim the eligible margin money & interest subvention amounts.

**Action: Banks**

**Success Stories**

KVIC, State Office had provided details of success stories under PMEGP, some of them were placed in the Agenda Book. Convenor, SLBC thanked KVIC for sharing their success stories with SLBC.

**Vote of Thanks**

The 154th Meeting of SLBC came to an end with vote of thanks by Shri. T Dhanaraj, DGM, Indian Bank and the Chairman, Pallavan Grama Bank.