



STATE LEVEL BANKERS' COMMITTEE-TAMIL NADU

Convenor :
Indian Overseas Bank
Central Office: 763, Anna Salai,
Chennai -600 002

Tel : 2851 9582/2851 9653
Fax : 28418030
E-mail : lbd@iobnet.co.in/slbctn@gmail.com
Website : www.slbctn.com

SLBC /TN/ 1 1 1 /2018-19

05.11.2019

To
All the Members of State Level Bankers' Committee, Tamil Nadu

Madam /Dear Sir,


Minutes of 159th Meeting of State Level Bankers' Committee – Tamil Nadu
Held on 26.09.2019

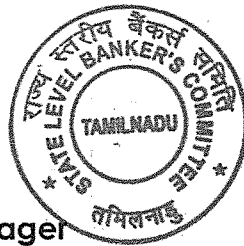
We enclose the minutes of the 159th State Level Bankers' Committee meeting held on 26th September 2019.

We request you to initiate necessary follow up action on the points relevant to you and keep us advised of the developments.

With regards,

Yours faithfully,


(S S Mathapati)
Assistant General Manager
SLBC-Tamil Nadu



Encl: as above



State Level Bankers' Committee, Tamil Nadu

Convener: Indian Overseas Bank

Minutes of the 159th Meeting of SLBC

Held on 26.09.2019 at Hotel Ambassador Pallava, Chennai

The 159th meeting of SLBC, Tamil Nadu was held at Chennai on 26th Sept 2019. The list of participants is given in the Annexure.

Welcome Address: -

At the outset Shri.S.C.Mohanta, DGM – IOB and Convenor SLBC welcomed Shri. Manish Kumar Mittal, Under Secretary, DFS, MoF,GOI, Shri.Karnam Sekar, MD & CEO – Indian Overseas Bank and Chairman- SLBC Tamil Nadu, Shri.SMN.Swamy, Regional Director-RBI, Smt.Padma Raghunathan, CGM NABARD and senior officials from State Government, RBI, NABARD and the fellow bankers. The following are the highlights of his welcome address:

- The important event that took place during the intervening period from the 158th SLBC main meeting to 159th meeting was, conducting of two days Ideation Conclave of Public Sector Banks conducted by Indian Overseas Bank- Convenor SLBC on 22nd and 23rd of August 2019 wherein the performance of PSBs at Branch, Regional and State level was presented by the individual PSBs who shared their ideas to achieve the financial objectives in line with the national objectives.
- PFRDA launched the month long Citizen's Choice Campaign for APY enrollments during August and Town hall meetings were conducted in six districts.
- GoTN on 24-09-2019 issued notification on crops for Rabi Season (Special Season) i.e. Paddy II and other crops.

- GoTN on 24-09-2019 convened a high level meeting with the stakeholders to discuss on the issues faced by the Sugarcane loanee farmers and Sugar mills in the state.
- Subsequent to the last meeting, SLBC conducted the meetings of subcommittees on opening of Banking Outlets, Credit Flow, Financial Inclusion and lastly steering subcommittee meeting was held on 19-09-19.
- The Convenor, SLBC briefed the important agenda items which were scheduled for deliberations during the course of the meeting.

CHAIRMAN'S ADDRESS:

Shri. Karnam Sekar the Chairman of SLBC, Tamil Nadu and MD & CEO, Indian Overseas Bank welcomed the participants to the meeting. He remarked that SLBC plays a very important role in various activities undertaken by the banks in the state and helping in the development of the state as a whole. Before proceeding on the performance of banks in the state, he touched upon the Global and National economic scenario briefly.

He briefed about the banking sector developments that have taken place in the state of Tamil Nadu in general and under Agriculture, MSME, Housing, SHG financing in particular.

Banking Sector in Tamil Nadu:

In a nutshell, the Chairman summarized that;

- Our State's CD ratio which continued to be above 100 percent, has increased to 112.32%.
- Deposits have increased by 9.13%.
- Credit has grown only by 11.18%.
- Priority Credit stands at 45.28 percent against the prescribed norm of 40% and he commended the performance of banks especially those of public sector banks in achieving the priority sector lending targets for the state.
- Agricultural Advance stands at 20.23% against prescribed norm of 18%.

- As on 30.06.2019, the overall achievement under Annual Credit Plan stood at 107%.
- The chairman further informed the forum that to take forward the digitalization initiative of Government of India, Virudhunagar district has been chosen for achieving 100% digitalization and requested member banks having banking operations in that district to actively contribute in achieving the same.
- With regard to data submissions by banks, he highlighted the importance of timely submission of requisite data and requested member banks to strictly adhere to the time frame for smooth and timely conduct of SLBC meetings as per schedule.

Highlights of the special address by Mr.S M N Swamy,RD,RBI,Chennai:

- The Regional Director, RBI expressed his happiness for participating in the first SLBC meeting after taking over as Regional Director of RBI, Chennai and congratulated the bankers and other stake holders for achieving the targets set under various parameters.
- He said that the banks have to submit the data to SLBC in time as the same is required to be provided to the regulator for its onward submission to its head office or for the local board as the situation warrants.
- He informed that policy repo rate under the liquidity adjustment facility was slashed by 35 basis points from 5.75% to 5.40%.
- Reverse repo rate stands revised to 5.15% and the bank rate @ 5.65%.
- In order to boost the credit to the needy sector it was decided by RBI that the credit to registered NBFC for on lending will be allowed to be classified under priority sector under respective categories.
- To boost the export sector, credit to exporter upto Rs.40 crores from existing Rs.25 crores is now classified under priority sector.

- The report of the internal working group of RBI has submitted its recommendations on boosting the agricultural sector which is available in the RBI website.
- He emphasized the importance of Financial Literacy Initiative and requested member banks to actively involve themselves in taking up the financial literacy activities up to the last mile.
- He requested the State Government Officials through the forum to include RBI financial literacy program as a syllabus from Std VI to X from the next academic year which has already been taken up through SLBC.
- He requested the bankers to open their banking outlets in the allotted villages without any further delay.
- He requested the concerned authorities for early fixation of scale of finance for animal husbandry and fisheries so that banks can start lending under this segment.
- He requested bankers while opening accounts for DBT to strictly comply with KYC and not to compromise at any cost.
- He informed that RBI has come out with a circular on adhering to turn around time for customer compensation on failed transactions using authorized payment system and banks to recredit the failed amount without waiting for customers' complaint.

SPECIAL ADDRESS BY SMT. PADMA RAGUNATHAN, CGM, NABARD:

- CGM, NABARD congratulated Bankers for achieving the CD ratio of 112.32%.
- She requested SLBC to collect data for sub categories like horticulture, farm mechanization etc while collecting agriculture data and submit to NABARD which will help in preparing the PLP.
- She requested that scale of finance for working capital requirement for fisheries and animal husbandry by SLTC to be completed at the earliest.

- NABARD has been supporting the financial literacy and digital literacy awareness program and for the current year 7081 programs have been approved to 24 banks including for two aspirational districts. She requested banks to complete the exercise by 20th Jan 2020 and submit the claims to NABARD by 5th of Feb.2020.
- Target for credit linking of 73000 JLGs has been fixed and requested SLBC to include review of JLGs as one of the agenda items in the forthcoming meeting.
- Digitization of SHGs under e-sakthi is proposed to be started in 10 districts viz., Tiruvannamalai, Salem, Virudhunagar, Tuticorin, Madurai, Sivagangai, Kannayakumari, Namakkal, Dharmapuri and Ramanad.
- Under DEDS out of the allotted subsidy of Rs.10 Cr, so far Rs.7 cr has been utilized and requested bankers to claim the subsidy without delay.
- She requested banks which have claimed subsidy for ineligible claims to recredit the same to NABARD as the same has to be passed on to the Government of India. Banks such as Canara bank, Indian bank, Indian Overseas Bank, UCO bank, Union Bank of India are yet to make the refund to NABARD she said.

Special Address by Shri.Aasish Kumar, CGM, PFRDA, New Delhi:

- He briefed the forum about Atal Pension Yojana administered by PFRDA.
- He informed the forum that 1.85 cr people have been enrolled under the scheme since June 2015.
- There is a growth of 60% so far this year when compared to that of last year.
- Tamil Nadu stands at third position in enrollments under the scheme after Uttar Pradesh and Bihar.
- He congratulated public sector banks in enrolling around 13 lacs APY subscribers.

- Indian Bank, Canara Bank, State Bank and Indian Overseas Bank are having maximum enrollments among PSBs and Axis, TMB among the private sector banks.
- He requested the member banks to give more importance to this scheme as it is a social security scheme by GOI.
- He called for sourcing of maximum enrollment in the days to come.

Then the agenda items were taken up for deliberations.

Action Taken Report for the 158th SLBC meeting:

Table Agenda No.3: Issue of Legal Heir Certificate to Class II legal Heirs:

The Convenor informed the forum that SLBC vide its letter dated 15.07.2019 addressed to the Chief Secretary and Additional Chief Secretary & Commissioner of Revenue Administration, requested for clarity on the above subject from the Revenue Authorities. Subsequently the Deputy Secretary requested the Additional Chief Secretary to take immediate action and send their reply to SLBC for the letter sent by them.

AGENDA NO.1:

Confirmation of the minutes of the 158th SLBC meeting held on 28.06.2019:

The forum confirmed the minutes of the 158th State Level Bankers' Committee Meeting convened on 28.06.2019.

Agenda No.2:

Implementation of Uniform Banking Hours in Public Sector Banks on pan India basis- EASE-Reforms on Banking for Customer Convenience

The Convenor, SLBC informed the forum that a VC meeting by Department of Financial Services with all CEOs/EDs of Public Sector Banks was held on 10.06.2019, in which the implementation of 'Uniform Banking Hours' by public sector banks on Pan India basis was advised. Accordingly the subcommittee led by Chairman IBA

initially approved 3 time sets for customer banking hours on Pan India basis viz. 9.00 a.m to 3.00 pm; 10.00 a.m to 4.00 p.m and 11.00 a.m to 5.00 p.m.

All the Lead Bank Managers (LDMs) after due co-ordination with DLCCs submitted their recommendation to SLBC for the time set of 10.00 am to 4.00 pm uniformly to be adopted by PSBs in the State.

The Convenor, requested the forum to approve the same for implementation. The forum approved the same for implementation and it was decided to adopt the uniform timings of 10.00 am to 4.00 pm for PSBs across the state as recommended by the LDMs. The new timing comes into effect from 01.10.2019. The Convenor requested the Private Sector Banks also to adopt the same timings in order to bring uniformity in timings for customer banking hours.

Action: Banks

Agenda No. 3

Identification of Digi district for Deepening of Digital Payments

The forum was informed that in order to give a thrust on expanding and deepening of digital payments ecosystem in line with the recommendations of the Report of the Committee on Deepening of Digital Payments and Reserve Banks' Payment System Vision Document 2021, it was decided to identify one district in each state, to make it 100% digitally enabled within a time frame of one year in close co-ordination and collaboration with all stakeholders, including SLBCs, State Governments, Regional Offices of RBI, etc. The proposed process flow for enabling Digi Districts was advised by IBA.

Member banks with lead bank responsibilities and other banks suggested names of districts. However the selection of the district shall be in convergence with the 'Transformation of Aspiration Districts' program of the Government of India. Tamil Nadu state has two aspirational districts viz – Ramanathapuram and

Virudhunagar. SLBC proposed Virudhunagar district for 100% digitalization. The forum consented for the same.

As advised by IBA, SLBCs are to identify a Project Officer for the proposed task. In this regard the Convenor informed the forum that SLBC has sought clarification from IBA and that the reply is awaited.

Action: SLBC/Banks

Agenda No.4

Recommendations of the high-level committee on Deepening of Digital Payments-Constitution of a Sub-committee on Digital Payments:

The convenor informed the forum that a High-Level Committee on Deepening of Digital Payments (CDDP) under the Chairmanship of former Chairman, UIDAI was constituted by Reserve Bank of India in January 2019 and that RBI had advised all SLBC convenor Banks to set up a 'Sub-Committee on Digital Payments' by December 2019, the composition of which is to be decided at SLBC level after consultation with the stake holders.

SLBC suggested that the Members of the Sub Committee may include Information Technology department of State Govt, RBI, NABARD, NPCI and Major Banks (AGM & Above level official in charge of digital payments).

GM RBI suggested that the subcommittee may also include few private sector banks which have successfully done 100% digitization of some villages in the recent past. The suggestion was taken into account and the forum decided to form the subcommittee as mentioned above.

Action: SLBC/Banks

Agenda No.5

Formulation of Gram Panchayat Development Plans (GPDP) for 2020-21 & Deliverables by Banks:

The Convenor informed the forum that DFS, Ministry of Finance, Government of India in their letter addressed to SLBC Conveners have detailed on the formulation of GPDP for the year 2020-21 (People's Plan Campaign).

The Ministry of Panchayat Raj, Government of India decided to launch the process for preparing GPDP for 2020-21 from 2nd of October, 2019. For this, SLBC Convenor or their representative is the Nodal Officer for the campaign and will work in tandem with the Nodal Officers of the State Panchayati Raj Departments (PRDs). Frontline workers are to be deputed by SLBC whose appointment shall be made through LDMs and BLBCs for attending and making presentation during the special Gram Sabha meetings on the designated days. The Convenor requested the member banks to actively participate in coverage of public under PMSBY, PMJJBY, APY. The agenda was passed in the forum.

Action: SLBC/LDMs/Banks

Agenda No.6

Constitution of "Implementation Committee" for developing a Standardized System of data flow:

The Convenor informed the forum that RBI had advised Banks to standardize the data flow under Lead Bank Scheme by originating the data from single source and as far as possible by taking directly from CBS system. A time frame of six months was also prescribed for migration to the new data flow and management system. The Convenor further said that as advised by RBI an "Implementation Committee" shall be constituted for developing the standardized system for data flow and its management by SLBC and to ensure timely implementation of the instructions. SLBC Convenors are advised to constitute an "Implementation Committee" in consultation with member banks and RBI Regional Offices/ Sub-Offices to devise and execute transition plan for migration to the new data system within the prescribed timeline. SLBC suggests that the implementation Committee members may include – RBI, NABARD, Major Banks (PSBs & Pvt) etc. The forum agreed to form a committee as mentioned above, preferably with members of banks from IT department.

Field General Manager, Central Bank of India said that since it's an RBI initiative, the matter will be taken up at their head office level and will be implemented within the stipulated time frame.

Representative of Equitas Small Finance Bank suggested for a common platform for uploading of data uniformly. SLBC responded that it will be done and advised the member banks to prevail upon their head offices to generate the data at their level.

Zonal Manager, P&S Bank sought for the data elements that are to be captured in CBS system to take up with their head offices for generating the same.

Deputy General Manager, Corporation Bank sought for extension of timeline for implementation. To this the Convenor clarified that the data to be submitted is of routine one only and not anything special and that extension of time line will not be allowed.

GM-RBI- requested SLBC to share with the member banks the forty formats that are stipulated by RBI so that they can know the data that is required and also requested member banks not having head office in Tamil Nadu to take up with them to designate a nodal officer who can collect and share the data to SLBC.

She further suggested that the implementation committee can meet every month until the implementation takes a shape.

Action: SLBC/Banks

Agenda No.7:

APY – Citizen's Choice Campaign and conducting of Town Hall Meetings

The Convenor, SLBC briefed the forum on Atal Pension Yojana (APY) which is an initiative by the Government of India for ensuring old age security for Indian citizens and for building a pensioned society. As per the district wise enrollments data Villupuram, Kanchipuram and Chennai secured top three slots.

Mr.Mohit Yadav, Manager, PFRDA briefed the forum on the achievement of the state under APY and awarded Indian Bank for having the maximum enrollments under particular campaigns.

The Convenor, SLBC advised the Banks to maximize enrollments under APY.

Action: Banks

Agenda No.8:

PMFBY – Various State Level and District Level Committees

The Convenor, SLBC informed the forum that as per the revised Operational Guidelines of PMFBY, Govt of Tamil Nadu has constituted six various committees at state and district levels, for seamless implementation of the scheme and to sort out the issues at various stages of implementation. SLBC is a member of all the three State Level Committees and LDMs are members in two of the three district level committees.

Agenda No.9

KCC Saturation Campaign

The Convenor informed the forum that Govt of India launched KCC Saturation Campaign during February 2019. As per the Directorate of Agriculture, GoTN there are 79 lakhs agricultural holdings in the state. SLBC has called for district wise KCC data from the member banks and requested the member banks to submit the data at the earliest.

To a query, the General Manager, TNSC Bank informed the forum that District Level Technical Committees have sent their recommendations on the Scale of Finance for Fisheries and Animal Husbandry activities which will be placed in the state level committee and would be finalized by 15th of October.

Action: TNSC Bank/Banks

Agenda No.10

National Urban Livelihoods Mission (DAY-NULM):

The Convenor, SLBC informed the forum that the target for DAY-NULM for the current financial year 2019-20 is Rs.5323.44 crores and the achievement is Rs.1076.17 Crores (20.22%).

He requested the member banks to process the 3728 applications pending with them at the earliest and upload the sanctioned particulars in the portal. He further

said that the APOs of Mahalir Thittam at the district level may be contacted for any issues.

The Joint Director, NULM briefed on the scheme and on the livelihood scheme for street vendors with a documentary presentation.

Agenda No.11

Action: Banks

Financing of Agri Clinic and Agri Business Centers(AC & ABC):

The Convenor, SLBC informed the forum that as per the communication received from the Director of Extension, Govt of India, 1751 applications of trained Agripreneurs are pending for disposal with various banks in the state of Tamil Nadu. The forum was further informed that MANAGE – The National Institute of Agriculture Extension Management, Hyderabad has nominated Dr.Saravanan Raj, Director (Agri Extension) as the Nodal Officer for the State.

Mrs. Sai Maheswari representative of MANAGE gave a brief presentation on AC & ABC. The Convenor, SLBC requested the Bankers to process the pending applications at the earliest.

Agenda No.12:

Action: Banks

Timely submission of data to LDMs & SLBC directly by banks, from the single point:

The Convenor, SLBC informed the forum that the undue delay in submission of data by banks has become hurdle in conducting of SLBC meetings within time norms stipulated by RBI. In view of this, it is repeatedly being requested in all the meetings for submission of data, from a single point. Convenor, SLBC requested the member banks once again to submit the data from single point.

Agenda No.13

Action: Banks

Opening of Banking Outlets in the allotted Unbanked Rural Centers/Villages –

The convenor informed the forum that out of the 451 villages identified and allotted to various member banks by SLBC, many banks have expressed that the allotted centers were too far from their existing base branch which causes operational difficulties and also there are some other banks already operating in those villages. SLBC has advised those banks to share the details of other banks so that the centers can be re-allocated and the process can be completed expeditiously.

GM, RBI requested the member banks to send the list to SLBC within a week's time so that the matter can be discussed more elaborately in the subcommittee.

Action: Banks

Success Stories

RSETIs of Indian Overseas Bank, Karur as well as INDSETI of Indian Bank, Thiruvannamalai had presented their success stories, which were placed to the forum. Convener, SLBC thanked the RSETIs for sharing their success stories.

The 159th meeting of the SLBC ended with Vote of thanks proposed by Shri Nageswara Rao, DGM, SBI.

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