

STATE LEVEL BANKERS' COMMITTEE, TAMIL NADU

Minutes of Meeting of Sub-Committees on Credit Flow and Financial

Inclusion of 159th SLBC held on 14.08.2019

The Meeting of Steering Sub-Committee for the 158th SLBC was convened on 14.08.2019 at 10.30 AM at Indian Overseas Bank, Staff Training College, Chennai. The meeting was presided over by Shri.S.C.Mohanta, DGM & Convenor-SLBC. Assistant General Managers of RBI Shri.K.Dhamodhiran, Shri.K.Rajan Babu, DGM of NABARD Shri. Nageswara Rao, Senior Officers from Banks and officials from Govt Departments participated in the meeting.

The AGM – SLBC welcomed the members. Convenor-SLBC in his inaugural address briefly highlighted on the role of bankers in the present scenario. Then the AGM, RBI addressed the forum.

Highlights of the address by Shri.K.Dhamodhiran – AGM, RBI:

- Unbanked Rural Centres- Insisted that the banks open at least Fixed Point BCs (FPBC) at the centres allotted to them within the next 15 days. The FPBC outlets shall be as per the definition of Banking Outlets stipulated by RBI in this regard.
- Banks have to align their corporate goals with ACP and ACP has to be percolated down to all their branches in the district.
- AJL shall be given strictly as per scale of finance and not by quantum of gold. End use must be verified and only eligible farmers be given agricultural jewel loan.
- District Level Technical Committees will recommend Scale of Finance for Fisheries and Animal Husbandry and approved by the State Level Technical Committee, after which loans can be granted.
- Controlling offices of the banks to advise their rural branches to display posters, as advised by RBI during the Financial Literacy week, for a minimum period of 6 months, which will otherwise be viewed seriously by RBI.
- Every rural branch to conduct one FL program in villages at least once every month.

- RBI launched Complaint Management System on 24.06.2019 wherein the customers can lodge their complaints in the portal and track its status.
- BCs appointed by banks to get certification from IIBF as per the communication dated 18.06.2019 by IBA. Those appointed before the date of the said circular to get certification before March 2019 and for others appointed after the date of the circular are given nine months' time to complete.

Highlights of the Speech by Shri.Nageswara Rao – DGM, NABARD:

- **G**round level credit target for the financial year 2019-20 for the State of Tamil Nadu is around Rs.1,19,000 crores which includes crop loans and Term Loans.
- DEEDS, Agri Clinic & Agri Business Centers, National Live Stock Mission and Integrated Scheme for Agri Marketing are the four schemes where NABARD assistance is presently available up to 31.03.2020 and requested banks to focus on such schemes to achieve the targets under Term loans category.
- Requested major banks to participate in the Area Development Schemes formulated by NABARD for its successful implementation.
- Banks to focus on achieving saturation under KCC Scheme.
- NABARD vide its circular dated 23.04.2019 issued detailed guidelines regarding funding under Grant mode to commercial banks/co-operative banks and make use of the funds available under various schemes with a focus on aspirational districts (special focus districts) in the State(viz.,Virudhunagar and Ramanathapuram).
- Requested SLBC to identify one district among the two aspirational districts and take with the Lead Banks to achieve 100% digitisation in one year period.

Then agenda items were taken up for deliberations.

Agenda No.1: Prime Minister's Employment Generation Programme

- KVIC advised the physical and financial targets Vs achievement as on 30.06.2019.
- Convenor observed that the Margin Money percentage achievement was very low @ 7%.

- The Convenor informed the forum on the stipulation of Margin Money to beneficiaries under SC, ST and Women category and requested the sponsoring agencies to ensure that the required numbers of applications of SC/ST/Women beneficiaries are sponsored to the Banks.
- The Bank wise pending applications was placed before the forum and the convenor requested the bankers to process the pending applications immediately.

OBSERVATIONS OF THE REPRESENTATIVE OF KVIC:

- **Around** 11,000 applications pertaining to current and previous years are pending with various Banks esp. with four major banks namely SBI, IOB, IB, Canara Bank have 7172 applications pending with Margin Money eligibility of Rs.162 Crores.
- **100** days target from 15th June to 25th Sept 2019 was set by Government of India and he requested the bankers to process the pending applications in order to achieve the 100 days as well as the yearly targets.

Action: KVIC & Banks viz., SBI, IOB, IB, Canara

Agenda No.2: PERFORMANCE UNDER NEEDS & UYEGP 2019-20 – DIC

- The Bank wise performance under NEEDS & UYEGP of Govt. of Tamil Nadu Bank-wise/Category-wise was placed before the forum.
- Number of Applications pending under NEEDS is 1137 and UYEGP id 7482, which includes applications of previous years also.
- The Convenor requested the forum to actively involve themselves in implementation of the schemes and dispose all pending applications.

OBSERVATIONS OF ADDITIONAL DIRECTOR – DIC:

- The target under NEEDS is 1000 and the scheme is specially designed for the first generation entrepreneurs.
- The GOI is providing interest subvention @ 3% and he requested the bankers to make use of the schemes.
- He requested the bankers to cover beneficiaries of Stand up India, Mudra schemes under NEEDS/UYEGP and claim subsidy.

Action: Banks

Agenda No.3: Financing of SELF HELP GROUPS (SHGs)/NRLM

- Tamil Nadu Corporation for Development of Women has set the disbursement target for the current FY 2019-20 at Rs. 15,000 crores.
- TNCDW advised that credit disbursement to SHGs is Rs.808.66 Crores for the period from 01.04.2019 to 30.06.2019 and the achievement stands at 5.40%.
- The Bank-wise performance of finance was placed before the forum.
- Convenor requested the Member Banks to participate actively in SHG financing and achieve the target for FY 2019-20.

OBSERVATIONS OF JOINT DIRECTOR – TNCDW:

- July was observed as “SHG Linkage month” and disbursement of Rs.2483 crores was achieved as on date.
- Linkage spread to be there in all four quarters.
- Requested bankers to issue more number of CC loans to SHGs and maximum credit of the eligible corpus as stipulated by RBI.
- PLF bulk loans to be considered by bankers.
- No additional charges to be levied by bankers when sanctioning loans to SHGs.
- Banks to come forward to form CBRM committees and make it operational.

JOINT DIRECTOR – TNULM:

- **She** requested the bankers to consider NULM at par with NRLM and grant more loans under TNULM as around Rs.2300 crores is allocated for the scheme for this year.
- She requested the banks to upload the loan disbursement details in the PAISA portal so the interest subvention is made available for the eligible beneficiaries.

Action: Banks

Agenda No.4: Progress Report on Stand Up India (SUI) Scheme

- The District wise and Bank wise performance details under Stand Up India (SUI) scheme for the state of Tamil Nadu as on 09.08.2019 was placed before the forum.
- The Convenor, SLBC informed the forum that for the period from 01.04.2019 up to 09.08.2019 banks in the State have sanctioned only 18 loans under the scheme and disbursed Rs.4.12 Crores, which is abysmally low.

- He requested the Member Banks to actively implement the scheme and achieve the targets advised by Gol. Further, Member Banks are also requested to issue suitable instructions to their branches to log into the SUI portal on regular basis and process the applications on priority basis.

Action: Banks

Agenda No.5: Progress Report on Pradhan Mantri Mudra Yojana (PMMY)

- The District wise and Bank wise performance details under Pradhan Mantri Mudra Yojana for the state of Tamil Nadu for the period of 01.04.2019 to 02.08.2019 were placed before the forum.
- During the period referred above, Banks have sanctioned 13,61,764 loans under PMMY, for the amount of Rs. 6607.88 crores and have disbursed Rs.6474.14 crores.
- Member Banks are requested to actively involve themselves in financing MUDRA loans under PMMY.

Action: Banks

Agenda No.6: Economic Development Schemes implemented by TAHDCO

- A TAHDCO informed that 10,548 applications pertaining to years from 2012-13 are pending with various banks and the age-wise pendency of applications was placed before the forum.
- As on 15.07.2019, TAHDCO has not received Utilization Certificates for 4757 sanctions for which subsidy of Rs.66.93 crores was released. The age wise details was also placed before the forum.
- SLBC advised Member Banks to dispose all the pending applications on priority and submit Utilization Certificates soon after disbursing the loan.

Action: Banks

AGENDA No: 7- Implementation of Weaver Mudra Scheme in Tamil Nadu:

- Director of Handlooms & Textiles, Government of Tamil Nadu vide their letter RC.No.20895/2019/C1 dated 10.07.2019 advised that a) Weaver Mudra Loan applications were not forwarded/Sanctioned during April-May 2019 due to General Elections to Lok Sabha 2019 b) Targets for 2019-20 are yet to be received from Government of India.

- SLBC advised the Member Banks to process the pending applications pertaining to the previous year, disburse the loan amount to the eligible weavers, and claim the pending Margin Money and Interest Subvention, if not claimed earlier, without further delay as per the procedure prescribed.
- SLBC had advised LDMs to review the progress under the Scheme and the pendency in their regular meetings.

Action: Banks

Agenda No:8- Financing of Agri Clinic & Agri Business Centres (AC & ABC)

- The forum was informed about the Revised Guidelines – 2019 of AC & ABC which were already circulated to Member Banks by SLBC.
- The Director of Extension, Department of Agriculture, Co-operation and Farmers' Welfare had advised that applications pertaining to 1751 trained Agripreneurs are pending for disposal with various banks in the state of Tamil Nadu.
- Convenor, SLBC informed that the lists are sent to LDMs and instructed to review the progress in regular meetings.
- He also advised the Member Banks and advises the Member Banks to process the applications and extend loans on priority basis, as this would help the Agri doctors directly and the farming community indirectly.

Action: Banks

Agenda No: 9- Campaign to achieve saturation under the KCC Scheme

- SLBC vide its letter dated 07.02.2019 addressed to all the Member Banks/LDMs regarding the modalities of conducting the camps in line with the communication issued by DFS/IBA.
- Convenor, SLBC informed of conducting a Special Meeting of bankers on 03.08.2019 wherein various communications issued by DFS with regard to KCC saturation were recollected. Member Banks were instructed to ensure conducting of camps and issuing of KCC to eligible farmers so that the District Collector can issue saturation certificate.
- SLBC advised that all the eligible farmers shall be issued KCCs within two weeks of submission of completed application forms.

Minutes on Financial Inclusion Matters

AGENDA No: 1: Opening of Banking Outlets (BOs) in Unbanked Rural Centres (URCs)/Villages

- RBI, in its circular DBR. No. BAPD.BC.69/22.01.001/2016-17 dated 18.05.2017 on "Rationalisation of Branch Authorization Policy – Revision of Guidelines" defined a Banking Outlet. According to which even a Fixed Point BC can also be considered as a Banking Outlet subject fulfilment of eligibility criteria.
- As per the latest data, out of the 451 URCs/Villages, Banking Outlets are opened in 256 centres and in the remaining 195 centers, Banking Outlets are yet to be opened.
- Banks present in the meeting assured to open the Banking Outlets by August 2019.

RBI's OBSERVATION

- AGM, RBI exhorted the banks to open the Banking Outlets in the allotted centres at the earliest and communicate to SLBC.
- The Banks which have given commitment have necessarily to open BO's at their allotted centers by August 2019.
- SLBC to reallocate the centers to other banks/FI who are having their branches nearby to the identified URCs since originally allotted banks/FIs are not opening BOs.

Representative of TNCDW informed that 674 IIBF trained people are readily available with them and another 1331 people are undergoing training and requested bankers to consider those people for deployment as Business Correspondents. Also VPRC & PLF buildings are available at subsidized rent in every village panchayat, which can be made use of by banks to open fixed point BC outlets.

Action: Banks and SLBC

Agenda No.2: Financial Inclusion Coverage Data in the State

- In the state of Tamil Nadu, there are 9323 Sub Service Areas of which 492 SSAs are covered through branches and Bank Mitras (BCs) cover 8831 SSAs.

- Banks have deployed 5713 eKYC devices, 7910 Rupay Card enabled devices and 8083 AEPS devices.
- There are 110 Inactive Bank Mitras (BCs) pertaining to 10 Banks. These banks are advised to activate the BC points and confirm to SLBC.

Action: 10 Banks

Agenda No.3: Status of PMJDY Accounts in the State of Tamil Nadu

- 103.00 lakh PMJDY accounts are opened as on 31.07. 2019 of which 47.98 lakhs are in rural areas and 55.02 lakh accounts are in urban areas.
- 82.60% of PMJDY accounts are issued with Rupay Cards and 74.62% accounts are Aadhaar seeded.
- SLBC advises member banks to take up financial literacy activities in rural areas, bring down the number of zero balance accounts, and make efforts to increase the utilisation / activation of Rupay Cards.

Action: Banks

AGENDA No: 4- Status of Jansuraksha Schemes in the State

- Enrolments under Jansuraksha Schemes have reached 113.85 lakhs as on 31.05.2019, which includes 28.50 lakhs enrolments under PMJJBY and 85.35 lakhs enrolments under PMSBY.
- SLBC advises Member Banks to use the services of BCs extensively to canvass and cover the existing customers of the banks under Jansuraksha schemes.

Action: Banks

AGENDA NO: 5- Status of Aadhaar Saturation in the State

- The District wise data as on 09.08.2019 on Aadhaar saturation taken from UIDAI portal indicates that 7, 39, 44,437 Aadhaars are generated for the State of Tamil Nadu as against the population of 7, 21, 47,039 as per 2011 census.
- District wise details of population, Aadhaar enrolled and percentage of enrolment was placed before the forum.
- The Aadhaar saturation level is below 100% in Chennai, Krishnagiri, Namakkal, The Niligirs, Tiruppur, Vellore and Villupuram districts.
- SLBC advised in these districts to reach 100% saturation.

Action: Banks

AGENDA NO: 6- Financial Literacy & Credit Counselling Centers (FLCCC)

- Indian Overseas Bank, Indian Bank, Canara Bank & State Bank of India have established the FLCCCs and are providing Financial Literacy and Credit Counselling to the public in their lead districts.
- Tamil Nadu Grama Bank has 28 FLCCCs in the State.
- The FLCCCs have conducted 1148 FL camps during the quarter under review. SLBC advises all member banks in Tamil Nadu to strictly adhere to the guidelines advised by RBI on “Financial Literacy by FLCs and rural branches – Policy review”

Action: Banks

AGENDA NO:7- Rural Self – Employment Training Institutes

- The forum was informed that out of 3340 persons trained in RSETIs during the period under review and 611 persons have secured employment/self-employed.
- RSETIs should endeavour and hand hold the trained persons in getting employed/self-employed.
- SLBC suggested that the RSETIs should comply with the requirements of Monitoring Cell of National Academy of RUDSETIs for grading.

Action: IOB, IB, Canara Bank, SBI

AGENDA NO.8- Atal Pension Yojana (APY)

- SLBC informed the forum that the cumulative enrolments have increased from 12.77 lakhs as on 20.04.2019 to 13.05 lakhs as on 31.07.2019 registering an increase by 0.28 lakhs enrollments in three months against the annual target of five lakhs enrolments.
- District-wise and Bank-wise cumulative performance as on 31.07.2019 was placed before the forum.
- DFS has fixed the Branchwise target for the current year vide their letter dated 22.04.2019.
- SLBC advised Member Banks to achieve the targets set by DFS.

Action: Banks

The meeting ended with vote of thanks.