

State Level Bankers' Committee, Tamil Nadu

Convenor: Indian Overseas Bank

Minutes of the Sub-Committees On

(i) Opening of Banking Outlets in Unbanked Rural Centres

(ii) Credit Flow & Financial Inclusion of 158th SLBC

Held on 25.04.2019 at STC, IOB, Chennai

Welcome Address:

Shri. N. Rajan, Assistant General Manager, IOB commenced the proceedings of the Meetings with warm welcome to the participants of the Sub Committee on Opening of Banking Outlets in Unbanked rural centres and the Sub Committee on Credit Flow & Financial Inclusion of 158th SLBC and requested active participation from all the participants.

Inaugural Address:

Smt. Uma Maheswari.B, General Manager. Indian Overseas Bank & Convenor, SLBC, Tamil Nadu welcomed, Mr. Muthuselvan, AGM, RBI, Mr. Damodhiran, AGM, RBI, Mr Nageswara Rao, DGM, NABARD, officials from the State Government Departments, Bankers and other participants on behalf of IOB and SLBC-TN for the Meeting of Sub-Committees.

The following are the highlights of the address:

- Thanked RBI for the vital inputs and support given to SLBC from time to time.
- More focus is to be given for opening of Banking Outlets in Unbanked Rural Centres
- Welcomed Indian Postal Payment Banks for venturing into Banking Services and providing service at many of the Unbanked Rural Centres.
- Thanked all bankers for SHG bank credit linkage and for surpassing Rs.10,000 crore mark for the first time in the state of Tamil Nadu with extended support of Additional chief Secretary, RD & PR and TNSRLM and for standing first PAN India for the last financial year.
- Convenor stressed the importance of Digital Banking Payments and observed that more awareness to be given through financial literacy centres.
- More enrolment under Atal Pension Yojana and other Social Security Schemes.
- Regarding remittance of premium under PMFBY to incorrect Insurance Companies in certain pockets by banks, SLBC requests the Agriculture

Department of GoTN to take up with those insurance companies to help the bankers to rectify the anomalies as well as Insurance Companies to help the bankers so that the eligible farmers get their claims settled.

Mr. Muthuselvan, AGM, RBI, Chennai in his address observed the following:

- Briefed on the importance and necessity of having separate Sub-Committee meetings prior to the conducting of SLBC Main meeting. He noted that Tamil Nadu is one of the pioneer states having SLBC Sub-Committee meetings.
- Financial Literacy Week celebrated by Reserve Bank of India in the month of June every year and for the current year it is going to be celebrated from June 3rd to June 7th.
- The theme for this year Financial Literacy Week is going to focus on farmer's welfare mainly with regard to credit to farmers, crop insurance facilities and so on.
- As far as opening of Banking Outlets in URCs is concerned, he requested bankers to update the data on BOs opened in such centres with SLBC so that the actual number of URCs will come down and also requested the bankers to come forward to open Banking Outlets in such centres apart from looking at viability angle alone.
- As far the Agri Jewel loans are concerned, he reiterated the guidelines of RBI with regard to monitoring of end use and strictly adhering to scale of finance and requested the member banks to strictly adhere to these guidelines.

Mr. M.Nageswara Rao, DGM, NABARD, Chennai in his address observed as under

- CD Ratio in Tamil Nadu is one of the highest in the country.
- Bankers to follow the Scale of Finance and follow revised KCC guidelines.
- JLG target for the current FY is fixed at 75,000
- Rs.2000 grant per JLG is available for banks for promoting farmers group and get credit linked.
- Though the State is doing well in Investment Credit to Agriculture sector but it needs more focus.
- Unit Cost booklet is prepared by NABARD and will be circulated shortly and is available in soft form also.

OPENING OF BANKING OUTLETS IN UNBANKED RURAL CENTRES:

The forum was informed that out of the 451 allotted centres there are still around 311 centres that are yet to have Banking Outlets. Member Banks are requested to open Banking Outlets in their allotted centres in a time bound manner.

AGM, RBI informed the forum that by first week of May there should be a concrete plan by Member Banks on opening of Banking Outlets in the allotted centres.

AGM, RBI further clarified that the Branch Licencing Policy has been liberalised and prior permission from RBI is not required. He further informed that the restrictions on distance between the Base branch and BC location has been done away. There are no such restrictions and the Banks have to device their own operational modalities.

The forum was further informed that the Indian Postal Payment Bank has around 10500 Access Points and mapping with those centres will bring down the number of Unbanked Rural Centres further.

TNSRLM informed the forum that there are readily built buildings available in many centres which they are ready to offer for use by Banks for opening of Banking Outlets at a nominal rent. Besides they also have IIBF trained BCs whose services can be utilised by the banks.

Member Banks are requested to update the data and inform SLBC on the latest position of the Status of their allotted centres by 29th April 2019 so that the SLBC website can be updated with the latest data.

Action: Banks

Sub-Committee on Credit Flow of 158th SLBC

Agenda No.1 Prime Minister's Employment Generation Program (PMEGP)

- Physical and Financial Targets are achieved as on 31.03.2019.
- Percentage of Margin Money utilisation against the target stands at 127%.
- KVIC informed the forum that the State stands 5th in All India and 1st in Southern Zone.
- KVIC requested Banks to promote 2nd dosage of loan to PMEGP units wherever eligible.
- The Convenor appreciated bankers for achieving the targets.
- The Convenor requested the Member Banks to process the applications immediately and achieve the targets allotted for them.

Action: Banks

Agenda No.2 - Performance under NEEDS & UYEGP:

- The Additional Director, Industries & Commerce appreciated the bankers for their efforts in disbursing the loans under UYEGP.
- The forum was informed that out of the total applications, 5068 were sanctioned and 4108 were disbursed.
- The Additional Director requested the forum to speed up the process of sanctioning the pending application and return the applications that cannot be sanctioned without any delay.
- The Convenor requested the Member Banks to achieve the target and process/return the pending applications at the earliest.

Action: Banks

Agenda No.3: - DAY NULM:

- The Convenor informed the forum that out of 14957 applications under SEP(I) & SEP(G) and 106595 SEP BLP, 119060 loans were with a project cost of Rs.4530.10 Crs
- TNCDW informed that the achievement so far was 76% and requested the member banks to achieve 100% and the backlog is cleared. He said that after getting the target from Central Government the same will be communicated through SLBC to all member banks.

Action: Banks

AGENDA NO.4: Progress Report on Stand Up India (SUI) Scheme:

- The forum was informed that for the period from 01.04.2018 till 31.03.2019 in the current Financial Year 2018-19, Banks in Tamil Nadu have sanctioned 797 loans under Stand Up India Scheme and disbursed Rs.157.51 Crores.
- The performance is far below the target fixed by GOI.
- The convenor requested the Member Banks to actively involve themselves in the implementation of the scheme.
- SLBC requested the member banks to advise their branches to log-in to the SUI portal regularly and dispose of the applications without any undue delay.
- Member Banks were advised to achieve the targets before the end of the financial year.

Action: Banks

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

From 01.04.2018 to 08.02.2019

- The Convenor informed the forum that Banks in Tamil Nadu have sanctioned 74,32,797 loans under Pradhan Mantri Mudra Yojana, for the amount of Rs. 34,231.07 crores and have disbursed Rs. 33,778.91 crores.
- The forum was advised that loans of above Rs.10 lakhs sanctioned by branches shall be categorized under Stand Up India Scheme if all the relevant guidelines are fulfilled so that the target under SUI can be achieved.

Action: Banks

AGENDA NO.6: Progress Report on Economic Development Schemes of TAHDCO

The Convenor informed the forum that 11,546 applications are pending with the Banks and Utilization Certificates for 5634 sanctions released with Rs.79.16 crores of subsidy, were yet to be received from Banks. The Convenor, SLBC advised the Member Banks as under with regard to pending applications under THADCO to:

- process the applications immediately on receipt
- process the applications of current year and the preceding year (last year)
- submit UC soon after disbursement of the loan

Action: Banks

AGENDA NO.7 - SHG / NRLM

The SLBC informed the forum that as per the data provided by Tamil Nadu Corporation for Development of Women (TNCDW), provisional credit disbursement to SHGs by Banks amount to Rs.11363.33 Crores for the period from 01.04.2018 to 31.03.2019 against the annual (2018-19) target of Rs.15000 crores.

The representative of TNCDW thanked all the banks in helping to cross Rs.10000 crores disbursement level and informed that for the current year also the target is fixed at Rs.15000 crores and requested Member Banks to achieve the target for the FY 2019-20.

SLBC advised the forum that drawals through CC account should be allowed as it is observed by TNCDW that Banks have an undrawn limit to an extent of Rs.4350 Crores under CC limits of SHGs.

SLBC further advised the Member banks to issue suitable instructions to their branches to allow SHG to draw the undrawn portion which will greatly help in achieving the disbursement targets also.

Action: Banks

AGENDA No: 8

Implementation of Weaver Mudra Scheme in Tamil Nadu:

SLBC informed the forum that as per information provided by the Director of Handlooms & Textiles, Government of Tamil Nadu that as on 31.03.2019, banks in Tamil Nadu have sanctioned 22774 loans to the tune of Rs.11299.55 lakhs, and disbursed 22650 loans amounting to Rs.11237.55 lakhs. There are 3373 applications pending with Banks. The member banks are requested to ensure that the pending applications are processed at the earliest.

Action: Banks

AGENDA NO: 9**PRADHAN MANTRI FASAL BIMA YOJANA (PMFBY) during 2016-2017 and 2017-2018 payment of service charges:**

- SLBC informed the forum that the as per the operational Guidelines of PMFBY, the insurance companies shall pay service charges @4% of the premium amount collected by Banks and other financial institutions.
- Agricultural Production Commissioner and Principal Secretary, Government of Tamil Nadu vide their D.O letter No.79/APC&PS/AGRI/2019, dated 12.04.2019, advised the insurance companies to settle the commission/service charges claim to the Banks and other Financial Institutions for the year 2016-17 and 2017-18 at the earliest.
- SLBC requested the forum to claim the service charges from the respective insurance companies if not claimed earlier as per the desired format.

Action: Banks

AGENDA NO: 10**Allocation of targets for Bank Linkage of JLGs for the year 2019-20:**

- Target for the state of Tamil Nadu for the FY 2019-20 is fixed at 73000 JLGs
- LDMs have been advised by SLBC to reallocate these targets to Member Banks in their respective district.
- LDMs are also requested to review the progress in JLG financing in the periodical monthly meetings.

Action: LDMs/Banks

Sub-Committee on FI of 158th SLBC

AGENDA NO.1:

Opening of Banking Outlets in Unbanked Rural Centres:

The minutes of the deliberation already mentioned elsewhere.

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

- SLBC informed the forum that in the state of Tamil Nadu, there are 9323 Sub Service Areas of which 489 SSAs are covered through branches and 8834 SSAs are covered by Bank Mitras (BCs).
- There are 108 Inactive Bank Mitras (BCs) pertaining to 10 Banks. SLBC advised that these 10 Banks to initiate immediate action for activation of their Inactive BC Point at the earliest.

Action: 10 Banks

Agenda No.3 - Status of PMJDY Accounts in the State

- **SLBC** informed the forum that there are 15.54 lakhs accounts having Zero balances.
- SLBC advised member banks to take up financial literacy activities in rural areas and bring down the number of zero balance accounts and also make efforts to increase the utilisation/ activation of RuPay Cards.

Action: Banks

Agenda No.4 - Status of Jansuraksha Schemes in the State

- The Convenor informed the forum that in the state of Tamil Nadu, the enrolments under Janasuraksha Schemes have reached 105.18 lakhs as on 31.01.2019.
- Member Banks are advised to make extensive use of their BCs to cover all the eligible customers under the above schemes.

Action: Banks

Agenda No. 5 - Status of Aadhaar Saturation in the State

- ✓ The forum noted that Aadhaar saturation level for the State of Tamil Nadu has been at 102.27% (Data taken from UIDAI).

Agenda No. 6 - FLCCC Quarterly report on Special Camps by FLCs

- RBI informed the forum that most of the banks are not conducting the FL campaigns as mandated in the guidelines.
- Data provided in the District level is not clear as per the requirement.
- SLBC is requested to collect the data from the Member Banks.

Action: SLBC/Banks

Agenda No.7 - Performance of RURAL SELF-EMPLOYMENT TRAINING INSTITUTES (RSETIs)

- SLBC informed the forum that Out of 24226 persons trained in RSETIs during the year, 13547 persons have secured employment/self-employed.
- No. of trained persons who are credit linked stood at 7099.
- SLBC requested the Member Banks to finance more number of trained persons.

Action: Banks

Agenda No.8 - Progress Report on Atal Pension Yojana in the State of Tamil Nadu

- The Convenor informed the forum that as on 20.04.2019 the number of subscriber under Atal Pension Yojana for the State of Tamil Nadu stood at 11.77 lakhs.

GENERAL OBSERVATIONS BY RESERVE BANK OF INDIA:

- In connection with observing Financial Literacy Week, RBI requires the data from the Banks on the number of rural branches which includes RRBs and rural cooperative banks.
- All banks to appoint Nodal Officer for Financial Literacy Week.
- Banks are not submitting the data's related to credit flow and Financial Inclusion in time to SLBC and RBI requested the Member Banks to submit the data within the stipulated time frame.
- RBI requested member banks to submit other data to SLBC, called for in connection with the local board meeting of RBI to be chaired by their Governor.

Deputy Director, TANCEM, GoTN:

- **The Deputy Director, Tamil Nadu Cement Corporation (TSNCEM)** informed the forum about AMMA CEMENT SUPPLY Scheme under which the applicants are provided cement at subsidized rates. In the past, TANCEM was accepting DDs from the beneficiaries which was found cumbersome. Now it is collecting the amount by NEFT to the Scheme account through VCOLLECT payment method of Indian Bank. Member Banks were requested to accept the amount for NEFT transfer whether they have account or not.

The meeting came to an end with vote of thanks by Chief Manager from SBI.
