

State Level Bankers' Committee, Tamil Nadu

Convener: Indian Overseas Bank

Minutes of the 173rd Meeting of SLBC

The 173rd meeting of SLBC, Tamil Nadu was held on 2nd of March 2023, at Hotel Ambassador Pallava, Chennai.

Welcome Address:

Shri. Ajay Kumar Srivastava, Chairman SLBC, Tamil Nadu and MD & CEO, Indian Overseas Bank welcomed Dr. Palanivel Thiaga Rajan, Hon'ble Minister for Finance and Human Resources Management, GoTN, Shri. V. Arun Roy, I.A.S, Secretary to Government (Expenditure), GoTN, Shri. V.V.S. Kharayat, Director, DFS, Gol, Shri. S.M.N. Swamy, Regional Director, Reserve Bank of India, Chennai, Shri.Venkatakrishna, Chief General Manager, NABARD, Chennai, Secretaries/HODs GoTN, Lead District Managers, Senior Bankers, and representatives from various agencies.

CHAIRMAN'S ADDRESS:

The Chairman, SLBC, Tamil Nadu and MD & CEO, Indian Overseas Bank welcomed the participants and thanked the Hon'ble Minister for sparing his valuable time, which shows the importance of the meeting and his experience as a former banker will provide rich impetus to all the bankers. This will also help in enhancing the overall relationship with the State Government in implementing various schemes formulated by them. Before proceeding on the performance of banks in the state, he congratulated the State Government for having signed an MOU with Electric Vehicle Maker Ola Electric with investments worth Rs.7,614 crores.

The Chairman dwelt briefly on Global, Domestic, and banking developments in the State of Tamil Nadu. Highlights of his speech is given below:

- Inflation is exhibiting some softening from elevated levels, prompting central banks to moderate the size and pace of rate actions.
- The International Monetary Fund forecast global growth to slow from 6.0 % in 2021 to 3.2% in 2022 and 2.7% in 2023.
- The banking system credit grew 16.10 % year-on-year (YoY) as of February 10, 2023, to Rs 134.17 Lakh Crores.
- The first advance estimates released by the National Statistical Office (NSO) on January 6, 2023, placed India's real gross domestic product (GDP) growth at 7.0 % year-on-year (y-o-y) for 2022-23.
- Tamil Nadu is aspiring to become a trillion-dollar economy by 2030 and Umagine Chennai 2023 is one of the key initiatives in this endeavour.
- The state government predicts IT sector will contribute over 10% to Tamil Nadu's \$1 trillion economy by 2030.

- The CD ratio increased from 110.81% as of Sept 2022 to 112.72% as of Dec 2022.
- Advances of the Banks in Tamil Nadu have increased from Rs. 12.07 Lakh crores as of Sept 2022 to Rs. 12.42 Lakh crores as of Dec 2022, registering a growth of Rs. 35,471 crores.
- The total deposits increased from to Rs. 10.89 Lakh crores as of Sept 2022 to Rs. 11.02 Lakh crores as of Dec 2022, registering an increase of Rs. 13,010 crores.
- Priority sector advances has increased from Rs. 5.82 Lakh crores as of 30th Sep 2022 to Rs. 6.01 Lakh crores as of 31st Dec 2022.
- The aggregate of agricultural advances extended by Banks in Tamil Nadu have increased from Rs. 2.89 Lakh crores as of 30th Sep 2022 to Rs. 3.00 Lakh crores as of 31st Dec 2022.
- MSME advances increased from Rs. 2.26 Lakh Crores as of 30th Sep 2022 to Rs.2.34 Lakh Crores as of 31st Dec 2022.
- The outstanding under Educational Loans has increased from Rs. 12,704 Crores as of 30th Sep 2022 to Rs. 13,077 Crores as of 31st Dec 2022.
- The outstanding under Housing Loans has decreased from Rs. 44,563 Crores as of 30th Sep 2022 to Rs. 43,039 Crores as of 31st Dec 2022 mainly due to reclassification of Priority Sector Housing Loan Portfolio by few banks during the current quarter.
- Renewable Energy portfolio increased from Rs. 495 Crores as of 30th Sep 2022 to Rs. 535 Crores as of 31st Dec 2022.
- Advances to Weaker Sections increased from Rs. 2.38 Lakh Crores as of 30th Sep 2022 to Rs.2.61 Crores as of 31st Dec 2022.
- Advances to export credit decreased from Rs. 878.84 Crores as of 30th Sep 2022 to Rs.675.03 Crores as of 31st Dec 2022.

Before concluding his speech, he thanked the Central, State Government, RBI, NABARD for their good support and guidance given to SLBC and Member Banks.

Highlights of the Presidential Address by Dr Palanivel Thiagarajan, Hon'ble Minister for Finance, Human Resources Management, GoTN

- He thanked the MD of Indian Bank for having conducted the SHG credit outreach program in Madurai where a sum of Rs.521 crore was disbursed for the State.
- The timeliness, granularity of data provided by SLBC has improved significantly and helped the State Government to review the performance of their various schemes in near real time basis.
- Briefed on the role played by the banks in the economy and the relationship between the banks and the State Government.
- Briefed on various reforms that has been made by the Government.
- Emphasized on the need to improve the overall capital investment, increase in productivity by involvement of various departments like industries, skill development department etc.
- Role of banks in supporting the Governments move for developing integrated beneficiary identified system for delivery of benefits and schemes so that the benefits reach the right person.
- Banks will have to play a big role in technology based/ identity-based solutions or initiatives of the State Government.
- He thanked the SLBC for being most efficient, functional, and leading among SLBCs in the country.

Highlights of the Address by Shri V. Arun Roy, IAS, Secretary to Government (Expenditure), Tamil Nadu

- He thanked the bankers for the improvement in their performance under various schemes for third quarter when compared to the second quarter.
- Targets under ACP should be aspirational and requested SLBC to consult the Government before finalizing the targets for the next year.
- Targets under various schemes like TAHDCO, PM SVANidhi, Urban SHGs needs further improvement.
- There needs to be uniform improvement under the schemes in all the districts for which participation of all the banks is necessitated.
- He wished the forum for a fruitful discussion ahead.

Highlights of the special address by Mr. V V S Kharayat, Director-DFS, GOI:

- Government of India, with the objective to improve the living conditions of the poor, had launched the flagship schemes of Pradhan Mantri Jan Dhan Yojana (PMJDY), the social security schemes of Pradhan Mantri Jeevan Suraksha Bima Yojana (PMJSBY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Atal Pension Yojana (APY).
- He sought the support of the State Government for increased coverage under the above schemes.
- He requested banks to improve their performance under Stand-Up India.
- To increase financial literacy, he requested the State Government to take steps for integration of financial education in school curriculum.
- He congratulated the performance of Vellore District under Mission Utkarsh program and thanked the State Government and Banks for their active support.
- He referred the observations of the Parliamentary Standing Committee on Industry on high rate of rejections of PMEGP applications and requested banks to be more empathetic while processing these applications.

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

- Though the outlook on Global Economic growth has improved, persistence of Geopolitical hostilities and tightening of monetary policy by central banks may decelerate the growth rate this year.
- Agriculture, Industries, and service sectors in the country are showing overall growth thus boosting the domestic economy.
- Strong credit growth, governments continuous trust on spending and infrastructure has created a conducive environment for investment.
- Real GDP for the Year 2023-24 is expected at 6.4% and GDP for the upcoming quarter at 7.8%
- Monitoring Policy Committee which met in Feb 2023 has increased the repo rate by 25 basis point which makes it to 6.50% to tame the inflation.
- RBI observed the Financial Literacy Week from 13th – 18th Feb 2023 under the theme “Good Financial behaviour your savior”.

- Requested the bankers to propagate the financial messages of RBI to make the financial eco system inclusive.
- Emphasized the need for conduct of BLBC/DLRC at periodical interval by involving active participation of public representatives.
- He suggested that access to Vidya Lakshmi portal may be given to LDMs for swift monitoring of applications entered in every district.
- Wanted to fill the post of Financial Literacy Counsellors wherever found vacant at the earliest.
- Wanted Member Banks for timely and accurate uploading of data in SLBC portal.
- Requested Banks to propagate the Helpline Number 1930 to their customers in case they happen to be a victim of any cybercrime frauds.
- Export credit under Agriculture and MSME sector are allowed to be classified as priority sector lending, however the advance under such category is not reflected in the MIS data and requested banks to make necessary corrections in future so that they are reflected in MIS submitted by banks.
- To take forward the financial literacy awareness, RBI is conducting Financial Literacy Quiz for students of class VIII, IX and X Std focusing on municipal/Govt. schools at block/district levels. He solicited the coordination of District Administration in this regard.
- He congratulated the banks for achieving the targets under various schemes.

Highlights of the special address- Mr. Venkata Krishna-CGM, NABARD-Chennai:

- Congratulated Banks for achieving Rs.4.10 lakh crores as of December 2022 as against the annual target of Rs.3.86 lakh crore.
- Appreciated the performance of the banks under Agriculture, MSME viz-a-viz the ACP target.
- Appreciated the performance of the banks under other key parameters like CD ratio, priority sector advances etc.
- NABARD is providing Rural Infrastructure Support through RIDF like food processing fund, micro irrigation fund and so on.
- Requested the bankers to converge their lending with these infrastructure funds of NABARD.
- Under Agriculture Infrastructure Fund operated with the assistance of Central Government, 2002 loans amounting to Rs.120 crores have been sanctioned in this current Financial Year through PACS.
- Requested banks to make use of subsidy available under Agri Marketing Infrastructure fund scheme, ACABC scheme etc.
- Under Financial Inclusion Fund Scheme grant is available for 15 schemes and requested banks to make use of the same to improve Financial Inclusion.

REGULAR AGENDA of the 173rd SLBC Meeting:

The forum confirmed the minutes of the 172nd SLBC meeting held on 30.11.2022.

Special Agenda on DEAF accounts:

Tmt Reeta Harish Thakkar, IAS, Special Secretary, Finance Department, GoTN informed the forum on the agenda of creating database on Government Bank accounts once the new Government was formed and in the last one-year reasonable ground has been covered with the details that were submitted by many banks in this regard. She further informed that a separate meeting would be held in another 10-15 days with those banks who have not submitted the data. She said that while analyzing the DEAF accounts certain instruments issued by banks became time barred and wanted to know the procedure to correct the same and bring it into the account. She thanked all the banks for extending their cooperation and requested to further continue to extend their cooperation to the Finance Department for completing this huge exercise.

Action: Banks

AGENDA NO 1: Financing to SHGs

173rd SLBC Meeting

Principle Secretary-Rural Development, GoTN: As of 24.02.2023 Banks in the State have achieved Rs.23450 crores and reposed confident that the banks would achieve the target by March 2023. She lauded the efforts of the banks in achieving this figure. For the next year, she informed that the target would be raised to around Rs.30000 crores. She raised concern regarding the ticket size of loans given by banks in our State when compared to the State of Andhra and requested the banks to improve the ticket size.

Action: Banks

AGENDA NO 2: RSETIs

173rd SLBC Meeting

Principle Secretary-Rural Development, GoTN: The scope for training for trades shall be widened to include carpentry, two-wheeler mechanism, plumbing and sanitary work etc., as there is huge demand for these trained persons in urban areas. She requested RSETIs to identify resource persons and the training will be imparted by the department. Regarding construction of RSETI buildings she informed that even after land has been allotted to certain RSETIs, constructions are either not started, or construction is yet to complete.

She requested the sponsor banks to complete the construction wherever land is allotted. She congratulated SBI for having completed constructions in both the places where land has been allotted. She further informed that, if any clearance is required from Government side, the same will be coordinated with the District Collector for doing the needful. She also requested the banks to increase the credit facilities to the trained candidates. Separate codes for loan sanctioned to RSETIs trained candidates is to be used by banks for monitoring the progress.

RD, RBI advised the sponsor banks to complete the construction without further delay as land has already been allotted and funds for construction is provided by MoRD.

LDM Chengalpattu informed that for newly formed districts like Tenkasi, Chengalpattu, Kallakurichi, Tirupattur MoRD approval is pending. PS, RD & PR informed that for these districts, the matter has already been taken and in the current year sanctions will be accorded.

Canara Bank, Indian Bank and IOB assured to update the present position of construction of building at the earliest.

Action: Canara Bank, Indian Bank & IOB

AGENDA NO 3: DAY- NULM

173rd SLBC Meeting

The Convener reviewed the performance of the banks under various components of DAY-NULM and requested banks to achieve the targets under SEP-I and Urban SHGs Bank Linkage.

Principle Secretary-Rural Development, GoTN informed that the ticket size of loans is less when compared to other States. For Urban SHGs the ticket size is less when compared to rural SHGs. Similarly, in new settlement areas within the urban agglomeration, she requested the support of banks in opening of accounts for such people for supporting their livelihood activities.

Executive Director, TNCDW informed that there is huge difference in the ticket size between Non-NULM SHGs and NULM SHGs. Under Non-NULM SHGs the average ticket size is around Rs.7.2 lakhs whereas under NULM SHGs the average ticket size is around Rs.4.92 lakhs. There are around 59450 households in six resettlement tenements under GCC and there are issues with certain section in opening of bank accounts for want of proper address proof for KYC purposes. She requested banks to come up with some sort of solution in this regard so that credit linkage can be provided to these people. She also requested bankers to represent in the meeting to be held for NULM community organizers to get familiarize with NULM

product codes. Similarly, banks were requested to extend credit facilities to DAY-NULM mission trained candidates.

Action: Banks

AGENDA NO 4: MSME

173rd SLBC Meeting

The Convenor briefed the forum on the performance of the banks under MSME sector for the period ending December 2022. **Industries Commissioner, GoTN** informed the forum on certain issues face under TN TReDS platform like individual limit flexibility, overall limit and requested banks to look into the issue. She also informed on the road show that is going to be held on 11th of March 2023 for unveiling International Trade Financing Services which is coming up in Chennai. She requested access be given to Finance department and few other State Government departments like MSME to collect data from the SLBC portal. Similarly, she wanted separate codes for various MSME schemes so that performance under each scheme can be clearly distinguished and reviewed. She requested banks to improve the performance under NEEDS, UYEGP, PMFME with relation to SC/ST beneficiaries, women and differently abled. She also requested banks to expedite sanctions under PMFME scheme. SBI assured to clear the pendency within 20th of March 2023.

Action: Banks

AGENDA NO 5: NEEDS/UYEGP

173rd SLBC Meeting

The Convenor reviewed the bank wise/district wise performance of the banks under the scheme as on 16-02-2023. **Industries Commissioner** asked in the forum regarding ST candidates if Forest Rights Act relevant document be treated equal to a Patta for consideration as collateral. GM, UBI informed that the legal opinion given in this regard is not very clear and as such requires further clarification which needs to be addressed.

Industries Commissioner, GoTN informed that the signed sanction letter in respect of loans sanctioned to be duly signed by the branch head and then to be uploaded in the portal and many banks are not following the same.

Action: Banks

AGENDA NO 6: Performance of banks under PMEGP

173rd SLBC Meeting

The convenor briefed the forum on the performance of banks under PMEGP as on 16-02-2023. Achievement viz-a-viz targets under various components of PMEGP

was reviewed. SLBC requested Member Banks to achieve the targets for March 2023 under various components.

Action: Banks

AGENDA NO 7: High rate of rejections of applications under PMEGP scheme by banks

The convenor informed the forum that there is high rate of rejection by banks of PMEGP applications as informed by Parliamentary Standing Committee on Industries particularly on the grounds of Service area, time limit for submitting documents, having achieved target etc. He requested banks esp., SBI, Canara Bank, Indian Bank, PNB, IOB, ICICI having more rejections to look into the issue and requested banks not to reject applications particularly on grounds of service area, time limit for submitting documents, having achieved the targets etc.

Industries Commissioner, GoTN & RD RBI requested banks to consider NOC submitted by the applicants at the time of processing the applications.

Action: Banks esp., SBI, IOB, Indian Bank, PNB, Canara Bank, ICICI

AGENDA NO 8: Procedure for remittance of call back of subsidy under PMEGP scheme

The Convenor informed KVIC's detailed procedure for remittance of call back of subsidy under the PMEGP scheme and follow the steps laid down by KVIC as circulated by SLBC.

Action: Banks

Agenda No.9: PMFME scheme-need for improvement **173rd SLBC Meeting**

The convenor informed the forum on the performance of banks as on 17-02-2023 and State Governments proposal to monitor and expedite the entire process. The convenor requested Banks to sensitize their field level officers about the potential available under the scheme and process all eligible applications without undue delay.

Industries Commissioner, GoTN informed that branch must sign and then upload the sanction letters in the portal and requested banks to consider processing of applications even if target set under Agriculture is met.

RD-RBI advised that bank branches must familiarize about various subsidy related loan schemes which will be beneficial to the applicants.

Action: Banks

Agenda No.10 – PMMY Scheme

173rd SLBC Meeting

The Convenor informed the forum on the performance of banks under the various components of PMMY scheme as on 22-02-23. He requested the Member Banks to improve their lending especially under Tarun category.

Action: Banks

Agenda No.11: PM SVANidhi

173rd SLBC Meeting

The Convenor reviewed the bank wise/district wise performance of the banks under the scheme as on 17-02-2023. **Principle Secretary-Rural Development, GoTN** informed that under the first tranche target given to state is 3.50 lakhs application of which 2.52 lakhs application has been sanctioned and disbursement is 2.18 lakhs. She requested banks to disburse all the sanctions without further delay. As we are moving towards the end of current FY, she requested banks to sanctions all the eligible applications so that the target set by the Central Government is achieved. She further requested Pvt Sector Banks esp., HDFC to improve their disbursements.

Action: Banks

Agenda No.12 – Performance under TAHDCO scheme

173rd SLBC Meeting

The Convenor informed the forum on bank wise & district wise performance/pendency of applications. Banks esp., SBI, Indian Bank, Canara Bank and IOB were advised to clear the large pendency of sanction and submit Completion Certificate at the earliest.

MD, TAHDCO, GoTN informed that Government had issued G.O to conduct the task force committee meeting once in fortnight. Also, application pendency for more than one year is there for which subsidy received by banks is around Rs.11 crores. Similarly, under land purchase scheme for SC/ST he requested banks to come forward to provide credit as there is a subsidy component of Rs.5 lakhs.

LDM Madurai informed that in his district higher % of pendency related to PACS.

RD-RBI informed that as the forum comprises of banks and hence PACS should not be clubbed in the agenda. **MD-TAHDCO** informed that their department are not promoting PACS as many primary co-operatives are not financially sound to lend.

Action: Banks

The **Convenor** reviewed the performance of banks under the scheme as on 15.02.2023.

Additional Director, Agriculture Marketing, GoTN informed that though banks have sanctioned to the tune of Rs.548 crores but disbursements have been only to the tune of Rs.331 crore and requested banks to expedite disbursement. Similarly, she informed that the ROI charged by banks under the scheme is more than 9% which is creating a bottle neck. Also, collateral is being insisted for loans up to Rs. 2 crores.

The **Chairman SLBC** informed that ROI is concerned with individual banks policy and advised banks to strictly follow the rules as laid down under the scheme regarding collateral security.

Action: Banks

Agenda No.14: New AMI Scheme**173rd SLBC Meeting**

The pendency of sanction bank-wise as provided by NABARD was deliberated in the forum and requested Member Banks concerned to complete the Checker level approval procedure so that the process can be completed.

Action: Banks

Agenda No.15: Special 6 months campaign at Gram Panchayat level

The convenor briefed the forum on the Special 6 months campaign at Gram Panchayat level launched by Government of India from 15-02-23 to 15-08-23. He advised LDMs and banks having branches in Virudhunagar, Ramanathapuram and Vellore, three districts selected for our State, to extend full co-operation for successful conduct of the campaign.

Action: Banks & LDMs of Ramanathapuram, Virudhunagar and Vellore

Agenda No.16: Saturation of farmers under KCC scheme

The convenor requested Member Banks to issue suitable instructions to their branches to dispose of the pending applications immediately and saturate all eligible farmers under the scheme.

Commissioner, Fisheries, GoTN informed the forum that as against the sanction of Rs.35.88 crores, disbursement are pending for many sanctions and there are 55000 applications pending for process esp., in districts like Ramanathapuram, Tuticorin, Virudhunagar, Tiruvallur and Chennai and requested to expedite the process.

RD, RBI advised banks to speed up sanctioning of eligible applications without any delay and there should not be huge pendency report in forthcoming meetings.

Representative from Aavin requested that periodical camps must be conducted at district level for saturation of eligible farmers under KCC.

Addl. Director, Animal Husbandry, GoTN informed that banks have so far achieved only 36% with districts like Mayiladuthurai, Nagapattinam, Tirupattur, The Nilgiris, Thanjavur, Virudhunagar are in single digit achievement.

LDM Madurai wanted granular data regarding applications given directly to the branches by the department so that follow up will be easy.

Action: Banks & LDMs of Ramanathapuram, Tuticorin, Virudhunagar, Tiruvallur and Chennai

Agenda No.17: PMAY(U)-Housing for All **173rd SLBC Meeting**

The Convenor requested the Member Banks to formulate their own strategies to improve the sanctioning of loans under the scheme.

MD-TN Habitat Board, GoTN informed that despite Tripartite Agreement only couple of SCBs are sanctioning loans and still many SCBs are not considering loan process. He briefed the forum on the AHF and BLC schemes for the benefit of the bankers.

Action: Banks

Agenda No,18: Weavers Mudra Scheme **173rd SLBC Meeting**

The convenor informed the forum on the Margin money assistance and Credit guarantee cover available under the scheme and requested the Member Banks to verify/update the concessional credit/Weavers' Mudra data in the PNB portal for the benefit to reach the handloom weavers.

Joint Director, Handlooms Department, GoTN informed that for the 6th year in a row, the State has been **in number 1 position** and thanked the banks for making this to happen. He also requested banks to clear the pending 3125 applications at the earliest and release the Margin money assistance to weavers wherever not released so far.

Action: Banks

Agenda No.19: Internal Working Group to review Agriculture Credit

RBI had suggested measures to State Government to improve the reach of Institutional Credit, but the recommendations are yet to be implemented by the State Government. SLBC requested the State Government to take appropriate action at the earliest

Action: State Government

Agenda No.20: Expanding and Deepening of Digital Payment Ecosystem

Keeping in view the growth of digitization in already identified districts, RBI through SLBC asked for identification of more districts for deepening of Digital payment eco system. The Convenor asked Canara Bank, Indian Bank and IOB to identify and provide the names of the districts for further communication to RBI.

Action: Canara Bank, Indian Bank, and Indian Overseas Bank

Agenda No.21: Pledge financing for agriculture commodities through e-NWR

The convenor briefed the forum on the features of e-NWR and requested Member Banks to promote more pledge financing through e-NWRs.

Action: Banks

Agenda No.22: Standardization of ACP document released district-wise:

It was decided in the forum to form a committee comprising of representatives from RBI, NABARD, IOB, IB, SBI, Canara Bank and four LDMs representing each Lead Bank.

Action: SLBC

Agenda No.23: Status of opening of bank branches in unbanked areas:

The convenor briefed the forum on the status of opening of branches in the unbanked areas and advised LDM Perambalur to update the status pertaining to his district.

Action: LDM Perambalur

Agenda No.24: Status of implementation of SVAMITVA scheme in TN

The convenor briefed the forum on SVAMITHVA scheme and requested Member Banks who have not submitted clarifications/challenges on certain points to submit the same at the earliest.

Agenda No.25: Atal Pension Yojana

The Convenor briefed the forum on bank-wise/district-wise performance and requested banks to stive hard to achieve the targets for the FY 2022-23.

Action: Banks

Agenda No.26: Standardization and submission of data

The Convenor requested the Member Banks to check not only the veracity of data uploaded in the portal but also upload the same within the stipulated time frame.

Action: Banks

Agenda No.27: Review of performance of Business Correspondents:

SLBC advised Member Banks to reduce the number of inactive BCs and address the concern of BCs at the earliest.

Action: Banks

Agenda No.28: NeSL-e-stamping, e-BG and eSign with storage

ED, NeSL briefed the forum on the benefits of e-stamping through a PPT presentation. SLBC requested the Member Banks to make use of this facility.

Action: Banks

Shri.Visveshwaran, General Manager, Union Bank of India delivered Vote of Thanks