

**STATE LEVEL BANKERS' COMMITTEE  
TAMILNADU**

**MINUTES OF THE  
179<sup>TH</sup> SLBC MEETING HELD ON 02.09.2024**

**Radisson Blu Hotel,  
Chennai**

**CONVENOR**



**इण्डियन ओवरसीज़ बैंक  
Indian Overseas Bank**  
आपकी प्रगति का सच्चा साथी  
Good People to grow with



**State Level Bankers' Committee, Tamil Nadu**  
**Convenor: Indian Overseas Bank**  
**179<sup>th</sup> Meeting of SLBC – 02.09.2024**

The 179th meeting of the State Level Bankers' Committee (SLBC), Tamil Nadu was convened on 2<sup>nd</sup> September 2024, at the Radisson Blu hotel in Chennai.

**Welcome cum Chairman's address:**

Thiru. T. Dhanaraj, Executive Director of Indian Overseas Bank (IOB) and Chairman of the State Level Bankers' Committee (SLBC-TN), graciously welcomed distinguished guests at the 179th SLBC meeting for Tamil Nadu. Among the esteemed dignitaries were Thiru. Thangam Thennarasu, Hon'ble Minister for Finance and Human Resources Management, Government of Tamil Nadu; Thiru N. Muruganandam IAS, Chief Secretary, Government of Tamil Nadu; Thiru T. Udhayachandran, IAS, Principal Secretary to the Government, Finance Department, Tamil Nadu; Smt. Uma Sankar, Regional Director, Reserve Bank of India (RBI), Chennai; and Thiru. R. Anand, Chief General Manager, National Bank for Agriculture and Rural Development (NABARD), Chennai. The event was also attended by District Collectors via video conference, other Secretaries and Department Heads from the Government of Tamil Nadu, as well as senior officials from various government departments, RBI, NABARD, member banks, and LDMs.

**Highlights of the Chairman's Speech:**

- Congratulated the State Government for implementing several welfare schemes, particularly benefiting women, the poor, and the downtrodden. Notably, the Tamil Pudalvan Scheme and CM's Kakkum Karangal Scheme were highlighted.
- Provided an overview of the current global and domestic economic scenario. Specific banking developments in Tamil Nadu were discussed.

The Chairman expressed gratitude to the Central and State Governments, the Reserve Bank of India (RBI), and the National Bank for Agriculture and Rural Development (NABARD) for their valuable support and guidance to the member banks and SLBC. He also assured the Chief Secretary and Principal Secretary (Finance), that continuous support will be extended by bankers to the Government of Tamil Nadu.

**Highlights of Speech of Hon'ble Finance Minister, GoTN:**

The Hon'ble Finance Minister extended congratulations to all bankers and stakeholders for achieving the proportionate target, amounting to Rs. 2.34 lakh for FY 2024-25 and maintaining a healthy CD ratio of 124.82% for the quarter ending June 2024.

The Hon'ble Finance Minister also briefed the forum on various people-centric initiatives of the Government of Tamil Nadu, including:

- Vallam Vadagal Industrial Housing Project: Aimed at improving workforce participation among women.
- Tamil Pudalvan Scheme: Focused on increasing the gross enrolment ratio of Male students in higher education in Tamil Nadu.
- Chief Minister's Kakkum Karangal Scheme: Designed to enhance the livelihood and security of retired ex-servicemen.
- Chief Minister's Pharmacy Scheme: Aimed at significantly enhancing healthcare accessibility by making low-cost generic medicines widely available.
- TN-RISE Scheme: Intended to eliminate challenges faced by women entrepreneurs in developing their business ideas and improving access to finance and marketing opportunities.

Additionally, the Minister highlighted that credit flow to women has increased to 19.62%, significantly surpassing the RBI norm of 5%.

The Minister congratulated the bankers for covering the unbanked Gundri Revenue Village and disbursing KCC loans amounting to Rs. 1.05 Crores and SHG loans amounting to Rs. 2.73 Crores.

Regarding pending applications, the Minister urged District Collectors to take steps to reduce the pendency and the banks to expedite the processing of pending applications.

In conclusion, the Hon'ble Finance Minister reaffirmed the unwavering support of the Government of Tamil Nadu in fostering a vibrant credit economy.

#### **Highlights of the speech by Regional Director, RBI:**

The Regional Director of the Reserve Bank of India (RBI) highlighted several key events and initiatives:

- RBI@90Quiz: Announced the organization of a Nationwide Quiz Competition for undergraduate students to commemorate the 90th anniversary of the RBI. The Director solicited support from the government and all stakeholders to ensure the event's success.
- Provided an overview of recent monetary policy initiatives and changes in regulatory guidelines.
- The Central Economic Intelligence Bureau (CEIB) shared the updated Standard Operating Procedure (SOP) for information sharing by banks with Law Enforcement Agencies (LEAs) and Intelligence Agencies (IAs).
- Announced amendments to the Master Direction on Lending to the MSME sector and updates to the Master Directions on Priority Sector Lending.
- Commended bankers for achieving 29% of the Annual Credit Plan (ACP) target and encouraged continued efforts to meet annual goals.

- Urged banks to complete the required activities related to drought relief measures and submit their reports to the SLBC.
- Emphasized the importance of continuously monitoring the operations of Business Correspondents to ensure they remain active and serve their clientele satisfactorily.

#### Highlights of the speech by CGM, NABARD:

- NABARD has disbursed Rs. 12,000 Crore as refinance to banks and provided assistance to the Government of Tamil Nadu and its owned corporations in the current fiscal year.
- Developmental activities include the TARANG Mela, a national-level event showcasing handicraft, handloom, and artisan products in Salem and Tirunelveli, with a budget of Rs. 40 Lakh. Additionally, NABARD co-sponsored a program with SIPPO in Salem, costing Rs. 12 Lakh.
- NABARD signed an MoU with the TN-Agricultural Promotion Export Council to support food processing industries in Tamil Nadu. This initiative aims to identify and skill rural youth across Tamil Nadu, followed by providing credit facilities and marketing support. NABARD is also in dialogue with the TN Handloom Export Promotion and Handloom Department to develop the handloom sector through a signed MoU.
- The AC&ABC Scheme of NABARD has been extended until March 31, 2025, and the AMI Scheme until March 31, 2026.
- The Krishi Rinn portal for interest subvention claims for FY 2022-23 will close on September 15, 2024, and for FY 2023-24 on December 15, 2024.
- Utilizing Business Correspondents for credit syndication and recovery can significantly boost rural credit demand.
- Priority areas include:
  - Deepening financial inclusion in aspirational districts.
  - Expanding JLG lending to cover previously uncovered areas.

#### AGENDA PRESENTATION

Thiru Mohan M, Convenor of the State Level Bankers' Committee (SLBC) for Tamil Nadu and General Manager of Indian Overseas Bank, presented the SLBC agenda.

##### Agenda No. 1:

- The forum confirmed the minutes of the 178th SLBC meeting held on June 20, 2024.
- The Action Taken Report of the 178th SLBC meeting was placed to the forum which was taken on record.

## **Agenda No. 2:**

### **2.1 Target vs. Achievement under Annual Credit Plan 2023-24 – Priority Sector:**

- The performance of banks and districts under the priority sector was evaluated against their targets. It is commendable that banks achieved 29.04% of the target for FY 2024-25.
- The Principal Secretary (Finance) emphasized the need to present data on education loans as separate categories for fresh sanctions and subsequent disbursements. (Action:SLBC)
- The Chairman, SLBC, assured that data would be presented in specified format from Q2 of FY 2024-25 and committed to improving performance under the Education Loan scheme.
- The Principal Secretary (Finance) directed the District Collectors and LDMs of Mayiladuthurai, Nagapattinam, and Tiruvarur to enhance performance under the ACP. The District Collector of Mayiladuthurai assured to improve performance under ACP targets.
- The Secretary, MSME, highlighted the need to boost performance in the MSME sector in the districts of Mayiladuthurai, Tiruvannamalai, Karur, Dharmapuri, and Perambalur. The District Collector of Karur assured improvements in MSME performance.

### **2.2 Credit-Deposit (CD) Ratio:**

- The Convenor, SLBC, reported that banks in the state achieved a CD ratio of 124.82% for the quarter ending June 2024.
- The Principal Secretary (Finance) expressed the need to improve the CD ratio in Vellore District.

## **Agenda 3: Financial Inclusion, Financial Literacy, and Banking Infrastructure:**

- The Convenor of the SLBC provided an overview of the banking network as of June 2024, including the operations of Business Correspondents. The discussion also covered the implementation of the Pradhan Mantri Jan Dhan Yojana (PMJDY) scheme and the performance of banks under various social security schemes.
- The Principal Secretary (Finance) inquired about the progress of onboarding trained SHG women as Business Correspondents in banks.

- The Managing Director of TNCDW informed that each district has been given a target to onboard 200 trained SHG women as Business Correspondents in banks.

#### **Agenda 4.1: Financing to the Agriculture Sector**

- The Convenor of the SLBC analysed the performance of the top three and bottom three performing banks and districts.
- The Principal Secretary (Finance) discussed about the poor performance in the districts of Madurai and Dindigul. The District Collector of Madurai assured improved performance in the current quarter. The Lead District Manager (LDM) of Dindigul also assured that with the onset of the crop season, performance will improve in Dindigul.

#### **Agenda 4.2: Saturation of Farmers under the Kisan Credit Card (KCC - Animal Husbandry and Fisheries) Scheme**

- The Convenor of the SLBC reviewed the performance of banks and districts under the KCC for Animal Husbandry and Fisheries. Member banks were urged to issue appropriate instructions to field functionaries for the timely processing and sanctioning of KCCs to eligible farmers.
- The Principal Secretary (Finance) emphasized the need to sanction priority sector loans through digital modes and stressed that Tamil Nadu should be a frontrunner in this initiative.
- The Principal Secretary (Finance) also discussed about the slow progress in issuing KCC-AH cards in Theni District. The District Collector of Theni reported that approximately 10,000 KCCs have been issued in the current fiscal year.
- The Chief Secretary of Tamil Nadu expressed concern over the high number of pending applications in Madurai under KCC (Animal Husbandry). The LDM of Madurai informed that steps are being taken to improve disbursements and reduce pendency.
- The Chief Secretary also urged the coverage of tribal areas under KCC (Agriculture) and KCC (Animal Husbandry) and emphasized the need to improve banking facilities in fishermen hamlets.

#### **AGENDA NO. 5: MICRO, SMALL AND MEDIUM ENTERPRISES (MSME) SECTOR:**

- The Convenor of the SLBC reviewed the performance of banks in the MSME sector, which stood at 36.84% of the Annual Credit Plan (ACP) target as of June 2024. A detailed presentation on the credit flow to Micro, Small, and Medium

Enterprises was provided, highlighting the top and bottom performers both bank-wise and district-wise.

- The Convenor urged member banks to enhance their lending to the MSME sector in FY 2024-25 to meet the annual ACP target.
- The Principal Secretary (finance) observed that performance of banks under MSME needs improvement. (Action:All Banks)
- The Principal Secretary (Finance) noted that the performance in Tiruvannamalai District under the MSME sector is low and advised to improve. The performance. The District Collector of Tiruvannamalai assured that efforts would be made to improve performance in the current quarter.

#### **AGENDA NO. 6:**

##### **6.1 Financing to Self Help Groups (SHGs):**

- The Convenor congratulated member banks for achieving 19.58% of the target of Rs. 6,852.40 Crores in 1<sup>st</sup> quarter against the annual target of Rs.35,000 Crores under SHG lending.
- MD-TNCDW thanked banks for the cooperation extended in financing SHGs.

##### **6.2 Tamil Nadu – DAY – NULM:**

- The Convenor of the SLBC congratulated banks for achieving 18.84% of the target, amounting to Rs. 2,355.53 crore against the annual target of Rs. 12,500 crores.
- The Principal Secretary (Finance) emphasized that only direct lending should be reported under SHG performance. (Action: IDFC Bank)
- Representatives from TNULM highlighted several issues regarding loans sanctioned under TNULM:
  - Different interest rates are charged for the same loan type in the same bank.
  - In HDFC Bank, SHG borrowers are not given the option to select insurance plans available in the market.
  - Few banks are taking 10% of the loan amount is taken as a fixed deposit when sanctioning SHG loans.
  - CIBIL charges are taken from members for sanctioning SHG loans.
  - High interest rates, up to 22.9%, are charged on SHG loans, particularly by private sector banks.

- The Chief Secretary of Tamil Nadu instructed that a meeting be held between the SLBC, TNULM, and select banks to address these issues.
- The Chairman of the SLBC agreed to convene a meeting to resolve these concerns. (Action: SLBC)

#### **6.3 Review of UYEGP, NEEDS & AABCS Scheme 2023-24:**

- The Convenor of the SLBC reviewed the bank-wise and district-wise performance under each scheme as of August 28, 2024.
- Representatives from ICDIC reported that the CM Pharmacy Scheme is set to launch soon, with 1,000 pharmacies to be established across the state. They highlighted the increased need for credit and suggested that these subsidy schemes could be dovetailed with the CM Pharmacy Scheme.
- The Chief Secretary of Tamil Nadu advised to reduce the pendency of applications under the UYEGP Scheme.
- The Convenor of the SLBC requested the department to share the list of pending applications to facilitate follow-up and clear the backlog. (Action: DIC/Banks/SLBC)

#### **6.4 Review of Prime Minister's Employment Generation Program (PMEGP):**

- The Convenor, SLBC briefed the forum on bank and district performance under PMEGP as of 28<sup>th</sup> August, 2024. Member Banks were urged to expedite processing of pending applications.

#### **6.5 PM Street Vendor's Atma Nirbhar Nidhi (PM SVANidhi) scheme:**

- The Convenor of the SLBC reviewed the performance of banks and districts under each of the three tranches as of August 28, 2024. Member banks were urged to promptly process pending applications and work towards achieving the desired result.
- Government officials pointed out that rejection rates are high for second and third tranche loans.
- The Chairman of the SLBC advised member banks to enhance their performance under the second and third tranches. (Action: Banks)

#### **6.6 Progress on Economic Development Schemes implemented by TAHDCO:**

- The Convenor of the SLBC briefed the forum on the performance of banks and districts under the scheme as of August 15, 2024.



- Representatives from TAHDCO expressed concern that banks are hesitant to accept Pattas issued under the Forest Conservation Act, 1980 as collateral.
- The Chairman of the SLBC assured to advise the member banks to update the bank level policies to address the issue. (Action: Banks)

#### **6.7 Progress Report on Pradhan Mantri Mudra Yojana (PMMY):**

- The Convenor, SLBC briefed the forum on the performance of banks and districts under the PMMY scheme. Member Banks were urged to actively participate in financing MUDRA loan schemes.
- The Principal Secretary (finance) observed that performance of banks under PMMY Scheme needs improvement.(Action:All Banks)

#### **6.8 PM Formalisation of Micro Food Processing Enterprises Scheme (PMFME Scheme):**

- The Convenor, SLBC provided an update on the performance of banks and districts under the PMFME Scheme as of 29<sup>th</sup> August 2024.
- Chief Secretary (Tamil Nadu) pointed out that performance of Villupuram needs improvement under this scheme.

#### **6.9 Progress Report on Stand-Up India (SUI) Scheme:**

- The Convenor of the SLBC discussed the performance of banks and districts under the Stand-Up India (SUI) Scheme. Member banks were urged to actively engage in implementing the scheme and to achieve the targets set by the Government of India.
- The Chief Secretary of Tamil Nadu expressed concern over the performance of districts Kallakurichi, Ranipet, and Mayiladuthurai under this scheme.

#### **6.10 Weavers Mudra:**

- The Convenor of the SLBC briefed the forum on the status of applications sanctioned and pending under the Weavers Mudra scheme.
- Representatives from the Handloom Department highlighted the need to upload Margin Money Certificates for 1,400 applications for FY 2022-23 and 1,875 applications for FY 2023-24. They also raised the concern of updating the status of applications forwarded to banks on a monthly basis.

- The Convenor of the SLBC advised member banks to upload the subsidy certificates to improve their performance under the scheme.
- The Principal Secretary (Finance) reviewed the performance of districts such as Ramanathapuram, Namakkal, Kanchipuram, and Tiruvannamalai and advised to improve the performance under the scheme.

#### **6.11 Education Loan:**

- The performance of banks and districts regarding sanctions and disbursements up to June 30, 2024, was reviewed.
- The Principal Secretary (Finance) reviewed that the performance of districts such as Karur and Tiruchirappalli and advised to improve the performance under the scheme.
- Representatives from the Education Department observed the need for a uniform Standard Operating Procedure (SOP) to be followed by all banks.
- The Chairman of the SLBC assured to take up with member banks to follow common SOP while sanctioning education loans. (Action: SLBC)

#### **6.12 Housing Loan:**

- The Convenor of the SLBC reviewed the performance of banks and districts under the housing loan segment as of June 30, 2024. Given the significant potential in Housing Loan segment, member banks were urged to achieve their targets.
- The Principal Secretary (Finance) advised public sector banks to increase their lending in this sector.

#### **6.13 Vazhndhu Kattuvom Project (VKP):**

- The Convenor of the SLBC reviewed the performance of banks and districts under the Vazhndhu Kattuvom Project as of August 29, 2024.
- The Managing Director of TNCDW highlighted those applications in many banks are pending for disbursement even after the receipt of subsidies. Additionally, interest rate issues remain unresolved in few banks.
- The Managing Director of TNCDW thanked bankers for resolving the interest rate issue under VKP Scheme raised in the 178<sup>th</sup> SLBC Meeting and informed that Considerable progress is shown by banks in this regard.

- The Principal Secretary (Finance) expressed concern over the minimal performance of Tiruvallur and Tuticorin under this scheme. The District Collector of Tiruvallur assured that efforts would be made to improve performance under this scheme.

#### 6.14 Central KYC Records Registry (CKYCR) - Review

- DFS letter No. 3210712o23-DR-I dated 13.09 2023, wherein it was requested to invite CERSAI to make a detailed presentation in the SLBC meetings to create awareness among the Banks and Financial institutions about CKYCR, its benefit and usage.
- Convenor, SLBC requested member banks to submit the data every quarter to review the same in SLBC Meetings.

#### 6.15 PM – SURYA GHAR: MUFT BIJLI YOJANA

- Govt has launched "PM – SURYA GHAR: MUFT BIJLI YOJANA". Under the scheme Govt is providing subsidy for installation of Grid Connected Rooftop Solar System (RTS) and has set a target of installation of RTS on 1 Crore Households.
- Convenor, SLBC requested all banks to improve the performance under the scheme.

#### 6.16 Agriculture Infrastructure Fund (AIF)

- The Convenor of the SLBC reviewed the performance of banks and districts under the Agriculture Infrastructure Fund as of August 21, 2024.
- The Chief Secretary of Tamil Nadu expressed concern over the low performance of Tirunelveli and Nagapattinam districts under the scheme.
- Representative from the Agriculture Department raised concerns about CIBIL issues for farmers who had taken loans from the now-defunct Thiru Arooran Sugars and Ambika Sugars. Despite the resolution of these loans, the adjustments have not been made, making it difficult for farmers to obtain new loans. The Agriculture Department requested the SLBC to issue suitable instructions to address this issue. (Action: SLBC)
- The CGM of NABARD highlighted two issues:
  - **Tenancy Cultivation:** Approximately 30% of cultivation in the state is done under tenancy. These farmers are often denied loans under the traditional KCC. Therefore, the Joint Liability Group (JLG) method of financing can be adopted for these farmers. NABARD is providing incentives to banks of up to Rs. 4,000 per JLG for JLG financing.

- **Credit Guarantee:** NABARD provides credit guarantees for financing under the Agriculture Infrastructure Fund. Farmer Producer Organizations (FPOs) are eligible for finance under the AIF, and banks were encouraged to utilize the scheme.

#### **6.17 Hydrological Drought Relief Measures (Agenda placed for information)**

- Hydrological Drought Relief Measures which was not initially extended to 22 districts as whole, is now decided to extended to all the 22 districts in Tamil Nadu based on unanimous decision subcommittee of the SLBC on 30.08.2024.

#### **AGENDA NO. 7:**

##### **7.1 Natural Calamity Relief measures**

- The Convenor, SLBC requested member banks to submit the data to conduct a study on effectiveness and impact of natural calamity relief measures framework through surveys, interviews, and interactions with farmers, bank branches, SLBC/DCC and State Government

##### **7.2 MSME cluster approach**

- The convenor, SLBC updated about the recent amendments to the Master Directions on Lending to MSMEs, emphasizing that lead banks should promote credit-linkage in all clusters by assessing credit needs, creating awareness, enabling skill development, and improving financial services in underbanked areas.
- Further, Banks must include these credit needs in branch/block level plans, which are aggregated into the District Credit Plan (DCP) and Annual Credit Plan (ACP).
- Also, Banks should adopt a standardized code for cluster financing to streamline data submission. Timely and accurate data submission will enhance the review of credit flow to MSE clusters, aiding overall state development.

##### **7.3 Support under Financial inclusion fund for FY 2024-25:**

- The convenor, SLBC informed the forum about support schemes of NABARD under Financial Inclusion Fund for FY 2024-25.

##### **7.4 Schemes implemented by NABARD**

- The convenor, SLBC informed the date of extension of schemes implemented by NABARD.

- Agri-Clinics and Agri-Business Centres (AC&ABC) Scheme: The scheme has been extended until March 31, 2025, as per the GOI letter dated April 8, 2024.
- Agricultural Marketing Infrastructure Scheme (New AMI Scheme): The scheme has been extended until March 31, 2026, as per the GOI notification dated April 26, 2023.

#### **7.5 Conduct of AC&ABC Workshops FY 2024-25**

- The Convenor, SLBC informed the forum on conduct of AC&ABC workshop for FY 2024-25. Bank officials are encouraged to participate in these district-level workshops and discussions to ensure the effective implementation of the scheme.

#### **7.6 Saturation of KCC account holder farmers under the ambit of PMFBY - Cooperative banks/RRBs - KCC-Modified Interest Subvention Scheme (MISS)**

- The Convenor, SLBC informed the forum about the modified Interest Subvention Scheme (MISS) through the Kisan Rin Portal (KRP) from Scheme Year 2022-23. Banks are advised to adhere to the following deadlines for data submission on the KRP portal:
  - September 15, 2024, for FY 2022-23 claims, and
  - December 15, 2024, for FY 2023-24 claims.

Submissions will be disabled after these dates.

#### **Agenda 8: Banking Statistics:**

- The Convenor briefed the forum on the performance of banks as of 30, June, 2024. The review covered the performance of co-operative banks, the status of NPA accounts in Priority Sector Lending, credit flow to women and minority communities, and the construction of RSETI buildings.
- A government representative informed that efforts are taken up to include co-operative banks in the Vidyalakshmi portal and the PM Mufti Surya Ghar Scheme. They also highlighted that the bullet repayment concept disadvantages co-operative banks, as accounts become NPAs even with minor defaults.
- The Chief Secretary of Tamil Nadu expressed concern that credit flow to minorities is less than 5% compared to the minority population in the state and directed that it be improved to 10%.
- The MD of TNCDW highlighted the need to credit link trained individuals in RSETIs as enterprises rather than SHGs.
- The Chief Secretary also expressed concern over the low number of persons trained under the minority and ST categories and emphasized the need to present data for SC and ST separately.

- The Chairman of the SLBC suggested that special batch training for ST entrepreneurs could help increase the number of persons trained under the ST category.

The vote of thanks was delivered by the Deputy General Manager of Indian Bank.

