

State Level Bankers' Committee, Tamil Nadu

Convener: Indian Overseas Bank

Minutes of the 170th Meeting of SLBC

Held on 13.06.2022 at Hotel Taj Club House, Chennai

The 170th meeting of SLBC, Tamil Nadu was conducted on 13th of June 2022 at Hotel Taj Club House, Chennai.

Welcome Address:

Shri.S.C.Mohanta, General Manager– IOB and Convenor SLBC welcomed Hon'ble Minister for Finance and Human Resources Management, GoTN; Shri. N.Muruganandam, ACS, Finance; Shri.V.V.S. Kharayat, Deputy Secretary, DFS, Gol Shri. P.P.Sengupta MD & CEO, Indian Overseas Bank & Chairman, SLBC-Tamil Nadu; Shri. S.M.N.Swamy, Regional Director, RBI; Shri Venkata Krishna, Chief General Manager, NABARD; Chennai, Secretaries and officials from State Government departments, RBI, NABARD and bankers. The Convenor, SLBC briefed the important agenda items, scheduled for deliberations during the course of the meeting. He briefed the forum on some of the important meetings that took place between the 169th and this meeting.

Chairman's Inaugural Address

Shri. P.P. Sengupta the Chairman of SLBC, Tamil Nadu and MD & CEO, Indian Overseas Bank welcomed the participants. He thanked the Hon'ble Finance Minister for having presided over the meeting. Before proceeding on the performance of banks in the state, he touched upon the Global & National economic scenario briefly, the gist of which are provided below.

GLOBAL OUTLOOK:

- Russia's invasion of Ukraine has caused a pause in the economic recovery from the coronavirus pandemic with lower growth expected in most countries.
- The International Monetary Fund has revised its forecast of global output growth from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023.
- The economic effects of the war are spreading far and wide and the food and fuel price increases will hurt lower-income households globally.

Domestic Economy

- The gross domestic product (GDP) growth of 8.7 per cent in 2021-22 is significantly better than last year's 6.6 per cent contraction
- Gross fixed capital formation witnessed a jump of 15.8 per cent in 2021-22.
- During the financial year 2021-22, gross value added (GVA) grew 8.1 per cent as against a contraction of 4.8 per cent in 2020-21.
- The agriculture sector during the financial year 2021-22 slowed to 3 per cent, compared with 3.3 per cent a year ago.
- Manufacturing sector saw an improvement in growth for the year 2021-22 to 9.9 per cent as against a contraction of 0.6 per cent in 2020-21.
- RBI slashed economic growth projection of India for financial year 2022-23 to 7.2% from 7.8% estimated earlier amid volatile crude oil prices and supply chain disruptions caused by Russia-Ukraine war.

Outlook for Tamil Nadu Economy

- The Government of Tamil Nadu has set an ambitious target for the state to become a USD 1-trillion Economy by financial year 2030-31.
- He briefed on some of the key Government Policies and Initiatives undertaken by the Government of Tamil Nadu towards one of the best states in South Asia.
- The Gross State Domestic Product (GSDP) of Tamil Nadu for 2022-23 is projected to be Rs 24,84,807 crore (at current prices), a growth of 14% over the revised estimate of GSDP for 2021-22 (Rs 21,79,655 crore).

Banking Sector in Tamil Nadu:

Now let me give a picture on the Performance of Banking Sector in the state of Tamil Nadu for the FY-2022-23.

- The CD ratio reached 109.45% as of March 2022.
- Advances of the Banks in Tamil Nadu registered a growth of Rs. 57841.33 crores in absolute terms and 9.09% in percentage terms.
- Deposits registered an increase of Rs. 30627.72 crore.
- The percentage of priority sector advances is 49.51 % as of March 2022 as against the national norm of 40%.
- The percentage of Agricultural sector advances to total advances is 24.41 % as of March 2022 [national norm is 18%].
- The advances to Micro, Small and Medium Enterprises sector (MSME) witnessed an increase of Rs. 8613.98 Crores as of March 2022.
- The outstanding under Educational Loans has reduced from Rs. 13880.35 Crores in Dec 2021 to Rs. 13221.00 Crores as of March 2022.

- The outstanding under Housing Loans has increased from Rs. 43314.23 Crores as of Dec 2021 to Rs. 45526.55 Crores in March 2022.
- The advances to Weaker Sections registered a marginal growth of Rs. 48624.09 Crores.

Towards the end of his speech, he congratulated all the bankers for their active participation in the Lead Bank Scheme. He thanked the Central and State Governments, RBI and NABARD, for their good support and guidance given to the member banks and to SLBC.

Highlights of Special Address by Mr. V.V.S.Kharayat, Deputy Secretary DFS, GOVT. OF INDIA:

- He briefed on various schemes formulated by Govt. of India to serve to the poorest of poor through various social sector schemes.
- He informed that 1.17 crore people has been benefitted from PMJDY scheme, 44 lacs accounts has been opened under PMJJBY and 1.2 crores under PMBSY.
- He further informed that a special target has been given to achieve especially in the three district ie. Pudukottai, Erode and Tuticorin.
- The three districts ie. Coimbatore Thanjavur & Virudhunagar has to be covered under Digital Banking schemes.
- He congratulated all the bankers for being instrumental in achieving targets under various schemes of GOI and requested banker's to continue to achieve the targets as fixed by the Government from time to time.

Highlights of Special Address by Mr. Muruganandam I A S GOVT. OF Tamil nadu:

- Tamil Nadu is having very good banking network for serving the public.
- Emphasized the roll of bankers and importance of growth of credit flow in the economy, which is very critical for the development of State.
- CD ratio for the year 2021-22 has been good and continues to be more than 100% for several years.
- Growth in priority sector lending has shown good performance esp., in Agri, MSME, Credit to weaker section and Housing loan.
- At the same time, there is a decrease in Export credit and Education loan and requested banks to improve their performance under the said schemes.
- Govt. of Tamil Nadu has allotted Rs.1200 crore for Anaithu Grama Anna Marumalarchi Thittam.
- A new scheme Kalaingar Integrated Village development programme has been launched with 1000 crore funds allotment and 2000 village panchayat shall be adapted to get the benefit for this year.
- For Housing Development under PMAY (U) scheme Rs. 3700 crores and Rs.4800 crores for PMAY (R) has been earmarked.

- Three mega centres at Tindivanam, Manaparai and Theni are identified for setting up food processing units to be set up by SIPCOT.
- SHG bank linkage target of Rs.25000 crore has been set for the FY 2022-23 and requested bankers to concentrate on advances to group activities for better improvement.
- He remarked on the poor progress under PMSVANidhi scheme and many banks are rejecting the application based on CIBIL score.

Highlights of Special Address by Mr. SMN.Swamy, Regional Director, RBI, Chennai:

- The policy repo rate under the liquidity adjustment facility (LAF) has been increased by 90 basis points from 4.00 to 4.90 per cent.
- The standing deposit facility (SDF) rate stands adjusted to 4.65 per cent, the marginal standing facility (MSF) rate, and the Bank Rate to 5.15 per cent.
- He briefed some important developments/relief measures announced by Reserve Bank like
 - i. Providing Interoperable Card-less Cash Withdrawal (ICCW) at their ATMs between banks, ATM networks and White Label ATM operators.
 - ii. The existing Entrepreneurs Memorandum (EM) Part II and Udyog Aadhaar Memorandum (UAM) of the MSMEs obtained till June 30, 2020 shall remain valid till June 30, 2022 for classification as MSMEs; and the validity of documents obtained for classification of MSMEs up to June 30, 2020, extended up to June 30, 2022.
 - iii. The eligibility criteria for inland fisheries and aquaculture under KCC has been modified.
 - iv. Allow the facility of lending by commercial banks to NBFCs and lending by Small Finance Banks (SFBs) to NBFC-MFIs, for the purpose of on lending to certain priority sectors on an on-going basis.
 - v. Government of India has approved the continuation of the Interest Subvention Scheme (ISS) for the financial year 2021-22 with some stipulations. The claim for interest subvention should be made by the banks on quarterly basis.
- Govt. of India has revised the guidelines on Credit Guarantee Scheme for Subordinate Debt (CGSSD) wherein the credit facility provided under the scheme has been enhanced to 50 % (earlier 15%) of promoter's stake or Rs.75 lakh whichever is lower. Further, the Scheme is applicable for those MSMEs whose accounts have been standard as on 01.01.2016 (earlier 01.01.2018).
- He requested the nodal officers of Ranipet, Coimbatore and Thoothukudi districts to cover the eligible remaining individuals and businesses to achieve the

objective 100% digitalization and requested the Nodal officer-in-Charge of the district to ensure that the statements are forwarded on time.

- He advised banks who are yet to onboard to the new system (portal for standardized data flow) to quickly be on boarded on SLBC website at the earliest.
- He requested the State Govt. and bankers to expedite the process of digitalisation and access to online creation of charges at the earliest.
- He requested the State Government to advise all District Collectors to ensure that the DCC/DLRC meetings are scheduled over the month in order to enable the LDOs present in the meetings and ensure participation of Public representatives in DLRC meetings.

Highlights of Special Address by Mr. VenkataKrishna, CGM, NABARD, RO, Chennai

- He congratulated the bankers for 109 per cent achievement under ACP; 141 per cent achievement under Agriculture and 120 per cent under MSME during the year 2021-22 and appreciated the bankers in their effort to achieve the priority sector target.
- Requested banks to achieve the targets set by various Govt. departments.
- Performance under Agriculture, MSME, and SHGs have shown marked improvement.
- NABARD has provided an assistance to the tune of around Rs.33,000 crore so far for the FY 2021-22 under various schemes, which is much higher when compared to last year.
- He briefed on the Agriculture Infrastructure Fund Scheme of NABARD and requested banks to make use of the scheme where credit facility is provided at lower rate of interest.
- He informed that NABARD's Refinance assistance to the State was to the tune of Rs. 32167 cr out of which Rs. 23167 Cr was by way of refinance to short and long term operations.
- Infrastructure support for augmenting flow of credit from various funds viz. RIDF, WIF, FPF, NIDA stood at Rs.4384 cr out of which Rs.3111 cr was under RIDF. He urged the banks to avail benefit of the Agriculture Infrastructure Fund scheme where Interest subvention is provided by the Central Govt and other central and state schemes. He advised the bankers for saturation of farmers under KCC and make use of the PMFME, SHGs & JLGs, FPOs and AC ABC Schemes.

Highlights of Presidential Address by Hon'ble Minister for Finance and Human Resources Management, GoTN:

- He briefed on the first amended budget presented during the second wave of COVID 19.
- Even though the third wave of COVID impacted the State, the physical/revenue deficit of the state was brought down to a greater extent.
- Debt market and unsecure retail market can be supported only by banks.
- The State's inflation stands at 5.4% which is much better than the national average of 7.8%
- Due to COVID 19 the structural labour market in all the countries has been affected which lead to job loss.
- As pointed out by our Finance secretary, wherever the performance is low, he requested banks to give more thrust for overall improvement.
- He wanted prospective cooperation between RBI, NABARD and Bankers with State Govt. for better economy growth.
- He requested that near real time data to be made available for the Government to prepare the business plan.

Confirmation of Minutes of the 169th SLBC Meeting:

The forum confirmed minutes of the 169th SLBC meeting conducted on 30.03.2022.

The Action Taken Report of the 169th SLBC meeting was informed to the forum.

Regular Agenda review:

Agenda No.	Agenda	Observation/recommendation	Action Point
01.	Funding of projects under Animal Husbandry Infrastructure Development Fund (AIHDF) Scheme of Department of Animal Husbandry & Dairying, Government of India.	The Convenor requested banks to provide credit facilities to the eligible entities under the scheme. He requested the Member Banks to advise their branches to login the portal and process the eligible applications. RD, RBI observed that the awareness about the scheme at the ground level should be improved. Hon'ble Minister also expressed similar view and wanted all the branches to be aware of the schemes introduced by Central/State Government so the scheme reaches the intended beneficiaries without any delay.	Banks

02.	Agriculture Infrastructure Fund (AIF)	The Convenor briefed the forum on the scheme guidelines and reviewed the status of progress under the scheme made by banks. ACS Finance remarked that the performance of the State under the scheme is very low. Secretary Agriculture department raised the concern of ODOP in many districts and requested the Central Government to relax the norms of the rule. Similarly, branches citing service area norms are returning many applications.	Banks
03.	PM Formalisation of Micro Food Enterprises Scheme (PM FME) Need for improvement	The Convenor reviewed the Bank-wise, District-wise performance of banks as on 31.05.2022.	Banks
04.	90 days Antyodaya campaign for saturation of the 75 Districts identified by Ministry of Rural Development	The Convenor informed the forum that three districts viz., Erode, Pudukottai and Thoothukudi have been identified and advised LDMS of these three districts and banks operating in the districts to achieve the targets set under the identified KPIs.	Banks/ LDMS of Erode, Pudukottai and Thoothukudi.
05.	Saturation of farmers under Kisan Credit Card (KCC) scheme)	The Convenor reviewed the performance of the banks under the scheme as per the data available in the portal up to 27.05.2022.	Banks
06.	PMAY(U)-Housing Loans to the beneficiaries	The Convenor briefed the forum on various components of the scheme and requested bankers to formulate strategies to improve the sanctioning of loans under all the schemes for the benefit EWS beneficiaries.	Banks
07.	Revision of Premium Rates of Pradhan Mantri Jeevan Jyothi Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY)	The Convenor informed the forum on the revision in the premium rates effective from 01.06.2022 and advised the banks to inform their branches about the changes and incorporate in the system for auto debit of premium.	Banks

08.	Implementation of Pradhan Mantri Jeevan Jyothi Bima Yojana and Suraksha Bima Yojana – extension of validity.	The Convenor informed the forum on extension of validity of relaxations in respect of forms, claim procedure in relation to PMJJBY and PMSBY, and advised Member Banks to give necessary instructions to their branches in this regard.	Banks
09.	ESakthi-Emathi integration	The Convenor informed on NABARDs EShakti project for digitization of SHG records to bring transparency and accuracy in SHGs transactions and the progress is tracked on a real time basis.	Banks
10.	Financial Inclusion Interventions	The Convenor briefed the forum on list of Interventions, eligible institutions and amount for conducting the programmes for banks provided by NABARD.	Banks
11	Financing to Self Help Groups (SHGs)	The Convenor reviewed the targets Vs. achievement as on 31.05.2022 of banks and requested member banks to advise their bank branches to sanction eligible quantum of loans in time.	Banks
12.	Special scheme for saturation of enrolment of eligible operative PMJDY A/c holders under Social Security Schemes (SSS) in aspirational District	The Convenor informed the forum on the special scheme for saturation of enrolment of eligible operative PMJDY A/c holders under Social Security Schemes (SSS) in aspirational district ie Ramanathapuram and Virudhunagar and requested Banks to direct their Regional/Zonal offices covering Ramanathapuram and Virudhunagar districts to lodge claims with NABARD, if not done so far.	Banks
13.	Progress of Economic Development Schemes implemented by TAHDCO	The performance of banks as on 31.05.2022 were reviewed in the forum and Member Banks were advised to bring down the pendency of applications considerably by disbursing loans on priority basis and submitting UCs to TAHDCO immediately.	Banks
14.	Vaazhndhu Kaattuvom Project-Business Plan Financing – Matching Grant Program (MGP)	The Convenor informed the forum on the Vaazhndhu Kaattuvom Project (VKP)-Matching Grant Program (MGP) and requested Member Banks for a focused attention for successful	Banks

		implementation of the MGP in the State.	
15.	Review of Prime Ministers Employment Generation Program (PMEGP)	The Bank-wise performance as on 22.05.2022 as provided by KVIC was reviewed and Member Banks were requested to process all pending applications immediately.	Banks
16.	PM Street Vendor's Atma Nirbhar Nidhi (PMSVANidhi)	The Convenor reviewed the Bank-wise/District-wise performance of the banks as of May 2022.	Banks
17.	Standardized System for data flow and its management – Uploading of data in the portal on monthly basis	The Convenor requested the Member Banks through the forum to upload the SLBC data on monthly basis starting April 2022 on or before 10 th of the succeeding month.	Banks
18.	Digitalisation of Land Records- Creation of Online Charges by Banks	The Convenor requested the State Government that creation of charges digitally to be facilitated to bank branches without any further delay	State Government
19.	Atal Pension Yojana (APY)	The Convenor informed the category wise targets allotted to banks for the FY 2022-23 and requested banks to strive hard to achieve the same allotted against each category.	Banks

The Meeting concluded with Vote of thanks by DGM, Canara Bank.