



## **State Level Bankers' Committee, Tamil Nadu**

**Convener: Indian Overseas Bank**

### **Minutes of the 172<sup>nd</sup> Meeting of SLBC**

**Held on 30.11.2022 at Hotel Ambassador Pallava, Chennai**

The 172<sup>nd</sup> meeting of SLBC, Tamil Nadu was conducted on 30<sup>th</sup> of November 2022 at Hotel Ambassador Pallava, Chennai.

#### **Welcome-cum- Inaugural Address by Chairman SLBC-TN:**

Shri. P.P. Sengupta, 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.N.Muruganandam, I.A.S, Additional Chief Secretary, Finance Department, GoTN, Shri. S.M.N. Swamy, Regional Director, Reserve Bank of India, Chennai, Shri.Venkatakrishna, Chief General Manager, NABARD, Secretaries/HODs, GoTN, Lead District Managers, Senior Bankers and representatives from various agencies. Before going into the Global, Domestic and Banking sector development in Tamil Nadu, he extended his sincere thanks to the State Government for their continued support provided to the Banks, especially through awards and recognition for their performance under SHGs/MSME and other Government Sponsored Schemes.

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

- **Global economic** activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades.
- Global financial conditions have been tightening and deteriorating market liquidity is amplifying financial price movements.
- Geopolitical conflicts without any end in sight, combined with aggressive and synchronized monetary tightening across economies to bring inflation down to tolerable levels, are clearly weighing on global growth.
- The International Monetary Fund cut global growth forecast to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023.
- **The domestic** macroeconomic outlook appears to be resilient and on a course for about 7 per cent GDP growth in the current fiscal, though India is still sensitive to global headwinds.
- Performance of the banks in quarter ended September 2022 was good. PSBs were able to increase the net profit by 50 per cent y-o-y.

- Bank credit growth is about 18.0 per cent and is broad based. Deposit growth continues to be in single digit of 9.5 per cent and is lagging behind the credit growth.
- The real GDP growth projection for 2022-23 has been reassessed to 7 per cent by Reserve Bank of India during September MPC.
- He gave a brief outlook on the performance of Banking Sector in the state of Tamil Nadu for the quarter ended Sept 2022.
- He congratulated Shri.S.C.Mohanta, General Manager, IOB and Convenor SLBC on his superannuation on 30.11.2022. He lauded the services rendered by him as General Manager, IOB and as convenor of the SLBC. He wished him healthy and happy retirement life.

**Highlights of Special Address by Mr. Muruganandam IAS, ACS-Finance, GoTN:**

- State GDP stands at Rs.24.84 lakh crores.
- For FY 2022-23 the State Budget for Expenditure is projected around Rs.3.33 lakh crore.
- The priority sector budget under ACP is Rs.3.35 lakh crore.
- He lauded the role of SLBC and the support of all the bankers in the progress of the state economy.
- While he appreciated the growth in credit flow to agriculture, he also expressed his dismay over reduction in credit flow under educational sector.
- He emphasized the need for collection of data on more frequent basis so that the review with latest data will be more meaningful in such meetings.
- He further stated that non-availability of data on overall credit flow to SC-ST; differently abled etc. that would otherwise be useful while taking policy decisions by the State Government.
- He requested the bankers to improve their performance under SHG bank linkage program so that the target set forth for this FY is not only achieved but also surpassed.
- He also expressed his concern over the performance of the banks under NULM and requested the bankers to improve their performance under this category.
- He appreciated the performance of the banks under PM SVANidhi both under the first and second tranche and under PMFME scheme.
- He requested the bankers to improve their performance under TAHDCO and clear all the pending applications at the earliest.
- He suggested that the meeting of SLBC might be held on rotation basis in districts like Coimbatore, Madurai and Trichy, which will help in focusing more on those regions.
- He emphasized the bankers on usage of Tamil language in all banking channels in the State.

### **Highlights of Special Address by Mr. S.M.N.Swamy, Regional Director, RBI, Chennai:**

- The growth of the Indian Economy continues to be resilient despite Global unprecedented conditions due to Russia-Ukraine war.
- The Agriculture sector has witnessed commendable growth as the northeast monsoon has been in its favour for the last three seasons.
- The Industrial and Service Sector shows signs of improvement and on the demand side, the Urban and Rural demand are gradually increasing.
- The Monetary Policy Committee (MPC) of RBI in September 2022 has raised the Repo rate by 50 basis point.
- He briefed on some of the important developments and relief measures announced by RBI recently like Innovative Method of Designing and Delivery of Credit Products, detailed guidelines on digital lending, guidelines to Credit Information Company etc.,
- With regard to acceptance of Rs 10 and Rs.20 coins from public, he informed that there were rumours/ misinformation on these coins and said that the Metropolitan Transport Corporation has recently instructed their staffs to accept Rs.10/ Rs.20 coins from the public. He requested the State Government to give suitable directions to other transport corporations also to accept the coins from the public. He also requested the bankers to issue suitable advertisements in the districts along with the district administration support to create awareness among the public and dispel the misinformation.
- He insisted that all the printed materials dealing with the public by banks should necessarily have the contents in the Regional language also.
- Under the initiative of MoH, GOI to tackle the online fraud, he requested banks to appoint Nodal Officers under the Citizen Financial Fraud Reporting and Managing System.
- He also expressed his concern on the low performance of banks under Stand-Up India scheme in the State.
- He informed on the continuation of Interest Subvention scheme by GOI on short-term crops, for the FY 2022-23 and FY 2023-24 that will be useful for the farmers.
- He also emphasised the bankers to attend the DCC/ DLRC meetings without fail.
- Towards the end of his speech, he wished the Chairman and Convenor on their superannuation.

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

- He congratulated the bankers on achieving higher CD ratio for this quarter.
- He also touched upon the performance of banks under various priority sector lending.
- Under AIF scheme, NABARD has sanctioned 500 applications from PACS.
- He requested bankers to make use of various Financial Inclusion Fund Scheme of NABARD and avail the benefits under the schemes.

### **Highlights of Presidential Address by Dr. Palanivel Thiaga Rajan Hon'ble Minister for Finance and Human Resources Management, GoTN:**

- He informed the forum that the Government has come out with many schemes for the public in the last 18 months of taking charge.
- He advised the Member Banks to provide the details of Government funds parked with the banks at the earliest.
- He reiterated that Tamil language should be used invariably in banking channels like ATMs, SMS, Challans, Forms etc., in the State and warned that any violation in the future by banks would be taken seriously.
- He emphasized the need of conducting the SLBC meetings in places other than Chennai on rotational basis.
- He congratulated both the Convenor and Chairman on their superannuation.

### **Confirmation of Minutes of the 171<sup>st</sup> SLBC Meeting:**

The forum confirmed minutes of the 171<sup>st</sup> SLBC meeting conducted on 16.08.2022.

### **Action Taken Report of the 171<sup>st</sup> SLBC meeting:**

- The Convenor briefed the forum on the Action Taken Report of the 171<sup>st</sup> SLBC meeting on the Provision and Applicability of Shops and Establishment Act on the Banks and requested the State Government once again to kindly consider exempting all Banks from the applicability of the said Act.

## REGULAR AGENDA

Agenda No.	Agenda	Observation/recommendation	Action Point
01.	TNSRLM- Financing to Self Help Groups	<p>The Convenor reviewed the performance of banks against the Credit Disbursement Target of Rs.25000 crore for the FY 2022-23 and requested the Member Banks to improve their performance so that the target can be achieved before the end of the FY 22-23. He also requested the Member Banks to upload the eligible data in the NRLM portal without fail.</p> <p><b>Principal Secretary, RD &amp; PR</b> informed the forum that the performance of the banks as on 30.11.2022 is Rs. 11678 crore. PS further informed that loans to SHGs promoted by NGOs are sanctioned quickly as against SHGs promoted by Government Department. PS requested that there should not be any discrimination and that all the applications must be processed equally. PS requested the bankers to enter the details in the NRLM portal regularly as delay in entering the data on the NRLM portal affects Interest Subvention. Unique Code is auto generated once the data is entered in the portal and requested the banks to enter the details of the BCs in the portal to have their database.</p> <p><b>Finance Minister</b> suggested that a meeting with the bankers may be arranged in few districts so as to know exactly their expectations with regard to KYC etc. so that it may be processed at par with the NGO sponsored SHGs.</p> <p><b>LDM Krishnagiri</b> informed that as far as the process of applications are concerned there is no discrimination between the one sponsored by NGO and the one sponsored by the Govt. Dept., however, he said that it would be taken up in the District level meeting.</p> <p><b>Chairman, SLBC</b> opined that a review meeting with LDMs, concerned</p>	<b>Banks/ LDMs</b>

		Government department, DMs/DCs might be convened in this regard. <b>ACS Finance</b> remarked that being Convenor for the State, IOB performance under the scheme has to improve.	
02.	DAY-NULM- Financing to SHGs	<p>The Convenor informed the forum on the progress report made by the Banks as on 11-10-2022 under various components available under the scheme.</p> <p>ACS Finance remarked that the performance of banks under SHG-BL is very low compared to the target fixed and requested banks to improve their performance under this category.</p> <p><b>MD-TNULM</b> informed that as on date of review the performance of the banks under the SHG-BL stands at Rs.1052 crores. MD further informed that though there is no maximum ceiling for the loan component but the average ticket size is very low. She also requested banks to explore the possibility of providing doorstep-banking facilities to the urban SHGs, which would improve the percentage of bank linkage. MD also requested bankers to consider providing ALF bulk loan without much hesitation. MD also requested some sort of common communication may be sent as RBI stipulates 30 SHGs to be there in one ALF to be eligible for BL but GoTN has vide their order that even 10 SHGs in ALF are eligible for getting BL. MD further informed that as available in rural areas, CBRM mechanism is also there in Urban area that needs to be activated which in turn will help in recovery of bad loans and reduce NPA figures.</p> <p><b>ACS Finance</b> appreciated the performance of HDFC, ICICI, DCCB, Indian Bank, SBI and requested other banks to improve by next quarter. He congratulated ICICI for providing door step banking facility to urban SHGs.</p>	<b>Banks</b>
03.	Credit flow to MSME	The convenor briefed the forum, the bank wise district wise performance of	Banks/LDMs/ Dept. of

		<p>banks as of September 2022. Top 5/ Bottom 5 banks/district MSME disbursement &amp; Outstanding was displayed to the forum.</p> <p><b>Industries Commissioner, GoTN</b> requested the banks to enter data with regard to PMEGP and PMFME in the portal. Under NEEDS the performance has to improve and applications pending with various branches has to be processed at the earliest. She reposed faith in the bankers that the target for this FY under NEEDS/UYEGP will be achieved with co-operation of all the banks. Similarly, IC requested LDMs to review the progress made by Banks in the DLCC meeting as a regular agenda with regard to their performance under Mudra Yojana.</p> <p><b>Chairman SLBC</b> advised that Top 5/ Bottom 5 should be based on percentage of the target apart from o/s amount wise. He further raised the performance under TN TReDS on the number of transactions for which the IC explained.</p> <p><b>LDM Madurai</b> requested IC to provide access to banks for the online portal of NEEDS and UYEGP so that the progress can be monitored.</p> <p><b>IC</b> responded that an integrated portal was in the pipeline and would be ready in another 2 ½ months or so. But for the time being if the branches wants to see the pendency of applications they can login with IFS code and password is IFS code_123.</p>	Industries and Commerce, GoTN.
04.	Performance of banks under PM SVANidhi	<p>The Convenor reviewed the performance of banks under the scheme bank wise and district wise. Joint Commissioner, Municipal Administration informed the forum on conducting of Street Vendors day for the past three months and there was significant improvement with regard to providing credit facilities. He requested the LDMs of Ranipet, Kanchipuram, Chennai, Salem and Chengalpattu to help improve the performance, as the</p>	Banks/ LDMs- Salem, Ranipet, Kanchipuram, Chennai and Chengalpattu.

		<p>percentage is less than 50 in these districts.</p> <p><b>LDM Kanchipuram</b> informed the forum that major reason for the low performance in their district is due to many people going back to companies after COVID and lack of interest from many street vendors in availing the second tranche.</p> <p><b>LDM Tirupattur</b> requested that if the municipal commissioner helps in bringing the applicants to one common place it will be easy for the bankers to process/sanction for the left-out applicants.</p>	
05.	Progress on Economic Development schemes implemented by TAHDCO	<p>The convenor reviewed the performance of the banks under the scheme as on 31.10.2022. He requested the Member Banks to process all the eligible pending applications without further delay and submit UCs for subsidy received accounts immediately. He also advised Banks to give suitable instructions to their branches not to go by Service Area Approach for the scheme.</p> <p><b>LDM T.V.Malai</b> informed that large pendency of applications where mainly recently received applications and all the applications would be cleared before December.</p> <p><b>MD TAHDCO</b> informed that the process of automation was under way and the same would be fully functional soon.</p> <p><b>ACS Finance</b> advised TAHDCO to complete the process of complete automation at the earliest so that monitoring of the scheme will be easy.</p> <p><b>LDM Madurai informed</b> that with the introduction of PFMS for release of subsidy by TAHDCO, still some banks are having some minor issues, so he requested MD TAHDCO that until the stabilization, the old pattern of disbursement of subsidy may continue parallelly.</p>	Banks/TAHDCO



		<p><b>LDM Kallakurichi</b> requested that old applications pending to 2019,20 may be removed for which MD TAHDCO informed that review will be taken with DMs in this regard. Also, for their district requested to post additional person. He also informed involvement of middleman for which MD TAHDCO and Convenor informed that the applications when cleared without much delay will avoid involvement of middlemen.</p> <p><b>LDM Virudhunagar</b> informed that with regard to reconciliation of pending applications in the BLBC meeting, most of the meetings DMs TAHDCO do not attend the meeting and not updating the data at their end.</p>	
06.	PMFME	<p>The convenor reviewed the performance of banks district-bank wise.</p> <p><b>Commissioner, Agriculture Marketing, GoTN</b> informed that PAN India our State is second. Though sanctions are happening, pendency especially with Canara Bank, IOB, SBI and IB are more and requested to clear the eligible applications at the earliest.</p>	Banks especially, IB, IOB, SBI and Canara Bank
07.	Saturation of farmers under KCC Fisheries and AH	<p>The Convenor reviewed the performance of banks district-bank wise.</p> <p><b>Commissioner Fisheries</b> informed that they have received around 60,000 applications and requested banks especially at Costal areas like Tuticorin, Ramnad, Cuddalore, Chennai applications where a particular date may be fixed to process such applications.</p>	Banks/LDMs
08.	Weavers Scheme Mudra	<p>The Convenor briefed the forum on the performance of banks under the scheme.</p> <p><b>Secretary, Handlooms</b> informed that out of 15000 applications around 7000 applications has been sanctioned, around 4500 applications are pending, and he reposed faith that the target will be met. But as far as the average loan</p>	Banks/PNB

		ticket size is concerned the secretary wanted the loan to be increased to Rs.1-1.25 lacs so that the entire benefit will reach the weaver. The Secretary further informed that many Banks are not uploading the sanctions in the PNB portal, which effects the MM assistance/Interest subvention benefit to the weaver.	
10.	Atal Pension Yojana	The Convenor reviewed the performance of the Banks in the State under the scheme and requested that among States though our State is achieving around 85-90%, he requested banks to perform much more so that our State crosses 100% mark.	Banks
11	PMAY(U) Housing for All	The JMD, Habitat Development Board briefed the forum about AHP and BLC scheme. He further informed that Indian Bank and Canara Bank are processing the applications of the beneficiaries at the site itself and requested other banks too to come forward.	Banks
12	Fees Structure	<b>ACS Finance</b> informed the forum that there is a specific committee and it will be taken with the higher education department and the same will be informed to the banks through SLBC.	State Government
13.	Business Model Scheme on Financing JLGs	The Convenor briefed the forum on the NABARD's scheme and the support given by NABARD in the form of Financial Incentive.	Banks
14	New AMI Scheme	The Convenor informed the forum that the AMI scheme a sub scheme of ISAM is extended up to March 2023.	Banks
15.	Synchronization between ACP with PLP	The Convenor informed that the ACP and PLP should be in sync and complimentary to each other and requested all the stakeholders to co-ordinate with NABARD to create an objective criterion.	Bank/LDMs
16	Standardized system of Data Flow	The Convenor stressed the need for providing data on more frequent basis. AGM, SBI informed that the matter was taken up with their corporate center and the process would be completed shortly. GM RBI clarified that uploading of data quarterly was mandated by RBI and submission of monthly data was State Government request and hence both should continue. After deliberation it was decided that Banks have to submit both monthly and quarterly data within the timeline specified by SLBC.	Banks

17.	Providing credit facility to elderly SHG	MD TNCDW informed the forum that there are around 30000 elderly SHGs formed with minimum of 5 members. So far only 140 applications have been processed and requested other banks to come forward to provide credit to these groups who are involved in various economic activities. MD also requested Co-operative Department to relax their rule in not lending to anyone above 60 years so that these elderly groups will be benefited through Co-op banks. On the question raised about any specific guidelines, MD NRLM informed about the existing guidelines and informed that further clarity can be provided separately to banks through SLBC. Convenor, SLBC requested Banks to take up with their concerned authority to device a strategy and a advisory may be given to banks to give suitable advisory in this regard.	Banks/TNSRLM
17	Availability of printed material in trilingual form	The Convenor advised the Member Banks to ensure that all the printed materials with regard to customers are made available in trilingual.	Banks
18.	Acceptance of Rs.10 coins	RBI informed that Rs.10 coins has been put into circulation through its issue offices and had come across instances of these coins not being accepted by general public for daily transactions due to rumors and misinformation spread through social media. RBI requested the banks through the forum to spread awareness on acceptance of Rs.10 coins by publishing advertisements along with Publication Department of the Government.	Banks/Government Publication department
19.	Participation of bank representatives in District/Block level meetings	The Convenor emphasized the importance of District/Block level meetings and compulsory representation of bankers in those meetings. Non representation of banks in certain districts has been brought to the notice of the RBI and hence advised Banks to give suitable instructions to their branch coordinators to attend such meetings without fail.  It was further informed that in 6 districts viz., Namakkal, Tiruppur, Sivagangai, Dharmapuri, Kallakurichi and Theni BLBC meeting has not been conducted so far for the second quarter.	Banks/LDMs of 6 Districts.

20.	Online verification of E-Guarantees issued	Deputy Secretary, Finance Department, GoTN briefly explained the forum on the way how online verification is done and said that the detailed guidelines in this regard will be issued shortly. <b>Chairman, SLBC</b> informed that NeSL is already working with all banks for issuing E-Guarantee	Banks
21.	Inclusion of Agro forestry trees	Shree. Deepak Srivastava, IFS, Principal Chief conservator of Forests briefed the forum on the launch of Green Tamil Nadu Mission by GoTN out of which 33% pertains to forestry and tree cover. Agro forestry plays a crucial role in achievement of this target. CGM NABARD informed that for Scale of Finance for Agro forestry trees, it is necessary that stake holders have to be involved both at the District level i.e. District Level Technical Committee and State level i.e. State Level Technical Committee. <b>ACS Finance</b> requested Secretary Agriculture, CGM NABARD and TN Green Mission to have an exclusive meeting among them to quickly resolve whatever issues are there involved.	<b>Agri Department, NABARD and TN Green Mission.</b>

**Table Agenda:**

Table Agenda No.	Agenda	Observation/recommendation	Action Point
01.	Puthumai Pen Scheme	MD, TNeGA briefed the forum on the Puthumai Pen scheme launched by Hon'ble Chief Minister in the month of September 2022. MD further informed that a fully computerized end-to-end solution has been introduced from the month of November with the integration support of education department, colleges, banks and NPCI. MD informed the forum that Indian Bank has come out with online portal for seeding Aadhar with Bank accounts and requested the other three banks viz IOB, SBI, Canara bank to also come out with such online facility at the	SBI, IOB and Canara Bank for Students Aadhar and All Banks for family Aadhar ration card holders.

		<p>earliest. He further suggested that banks may come out with some kind of App facility for the same in future as most students are tech savvy. MD further requested effective usage of BCs in seeding the Aadhar with bank accounts.</p> <p><b>Hon'ble FM</b> suggested that banks may conduct Aadhar seeding in the college campus at least weekly once in those districts where there are large number of applications are pending due to seeding of Aadhar with bank accounts so that maximum students are enrolled.</p> <p>He also requested all the banks to come out with online portal for family Aadhar seeding of ration card holders in the State. A special one-week campaign may be carried out by banks, sponsored by the State Government.</p> <p><b>ACS Finance</b> requested the three banks to complete the process before 31<sup>st</sup> December 2022 so that the money shall be released to the student's account. He also requested all banks to complete seeding of Aadhar with bank accounts for all those Ration Card account holders for whom the Aadhar is not seeded so far before 31.12.2022.</p>	
02	<p>Details of Government deposits/accounts to be submitted by banks</p>	<p><b>Special Secretary, Finance, GoTN</b> informed the forum that a special task force was constituted and banks have provided data of Government accounts held with banks as on 31-03-2021. In order to move forward she requested banks to provide data as per the three formats incl. DEAF account details at the earliest.</p> <p><b>Hon'ble FM</b> expressed his concern on the quality of data provided by the banks and laxity shown by some banks in providing the data. He wanted banks to speed up the process in submission of the data</p>	Banks

		so as to avoid strain in the relationship between the bank and the State Government. He advised Banks to accord Top Priority in this regard and give focused attention for this issue. <b>Chairman SLBC</b> requested the State Government to get Statement of Accounts as of 30 <sup>th</sup> Sept 2022 to find out any difference.	
03	Advance against Warehouse receipts E-	The Convenor informed the forum that, banks in the State have so far sanctioned 211 loans against e-warehouse receipts. He requested Banks to extend credit against e-warehouse receipts.	Banks
04	Use of Tamil in delivery of banking services	The convenor emphasised the importance of usage of Tamil, the official language of the State, in the delivery of banking services.	Banks
05	Unbanked Rural Centers	The Convenor informed the GoTN that list of uncovered villages in the 22 centers will be taken up with the LDMs and the status will be updated	LDMs
06	Issuance of loans under KCC Crop by Banks	The Convenor briefed the forum with Statistics on number of KCC cards issued and requested the banks to saturate all the eligible farmers with KCC	Banks

**Mr. Satyajit Trivedhi CEO, NCFE** gave a brief Power Point presentation to the forum on NSFI/NSFE to all the bankers and conveyed the objectives of financial awareness and empowerment through financial education campaigns across the country for all sections of the population. He informed the forum that the Tamil Nadu Government is one among few States, which has included Financial Education in the school curriculum.

Before concluding, the Convenor thanked the Hon'ble FM, Secretaries/HODs, Chairman SLBC, RBI, LDMs, NABARD and all the bankers for their support and guidance and shared his journey as Convenor SLBC. He also introduced the next Convenor Mr.Reyazhulhaq to the forum.

The meeting ended with Vote of Thanks by DGM SBI.