



State Level Bankers' Committee, Tamil Nadu

Convener: Indian Overseas Bank

Minutes of the 171st Meeting of SLBC

Held on 16.08.2022 at Hotel Ambassador Pallava, Chennai

The 171st meeting of SLBC, Tamil Nadu was conducted on 16th of August 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 briefing on the Global, Domestic and Banking sector development in Tamil Nadu, he congratulated Government of Tamil Nadu for having successfully conducted the 44th International Chess Olympiad from July 28th 2022 to August 10th 2022 at Mamallapuram, which was appreciated by the participants and chess officials from India and abroad.

Highlights of Chairman's Speech:

- The global economic and financial environment has deteriorated with the combined impact of monetary policy tightening across the world and the persisting war in Europe heightening risks of recession.
- The International Monetary Fund cut global growth forecasts again to 3.2 per cent for 2022 from a forecast of 3.6 per cent issued in April 2022.
- The CPI inflation eased to 7.1 per cent in June 2022 from 7.9 per cent in April 2022.
- The International Monetary Fund has slashed India's growth forecast for 2022-23 by 80 basis points to 7.4 per cent.
- 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 and has launched three Start-up Regional Hubs at Madurai, Tirunelveli and Erode.
- The Government has announced that a second airport for the city would come up at Parandur near Chennai at an estimated cost of Rs 20,000 crore with an annual capacity of 10 crore passengers.
- Lauded the State Government for taking steps to empower women by launch of innovative scheme named Moovalur Ramamirtham Ammaiyaar

Higher Education Assurance Scheme for providing financial assistance of Rs.1000 p.m. to girl students.

- He briefed the forum on the Performance of Banking Sector in the state of Tamil Nadu for the quarter ended June 2022 under various parameters like CD ratio, Priority Sector Advances etc.,

Highlights of Special Address by Mr. Muruganandam IA S, ACS-Finance, GoTN:

- He appreciated bankers for their performance in the first Quarter.
- He commended that there is significant growth in advances to weaker section, micro enterprises and renewable energy but there is negative growth in export credit, housing, education loan. In addition, credit to agriculture sector needs improvement.
- He requested banks to lend more under the Standup India scheme.
- He informed the forum that under the Moovalur Ramamirtham Ammaiya Higher Education Assurance Scheme, in the first phase, around 1.5 lakhs girl students would be benefited and the scheme is likely to be launched in the first week of September 2022. He requested four banks viz., IOB, Indian Bank, SBI and Canara Bank to complete the account opening process for the intended beneficiaries at the earliest, which includes reviving the dormant accounts.
- He requested the bankers to improve the credit flow to housing scheme under PMAY-U, Beneficiary Led Construction scheme where the GoTN is providing Rs.7 lakhs as subsidy.
- He requested bankers to increase proportionately the growth under SHG-BLP.
- He requested Banks to provide second tranche loan of Rs.20000 to PM SVANidhi beneficiaries.
- He requested SLBC to provide more dis-aggregated data relating to credit flow to minorities, weaker sections if possible scheme wise and presented in the forum.
- He suggested that three sub-committees, one for agriculture and allied sector, second for weaker section and third for Industries and Infrastructure might be constituted in order to have more in depth review before the main meeting and requested the convenor to consider his suggestion.

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

- Global Financial markets have experienced volatility and large sell off.
- US Dollar Index soar to two decade high in July 2022.
- Emerging market economy are experiencing capital outflow and reserve losses.
- In domestic market, agriculture sector is picking up due to good monsoons.
- Real GDP growth is projected at 7.2%
- RBI has revised the repo rate by 0.50 basis points
- Reserve Banks Ombudsman scheme has under gone changes since December 2021.

- He informed that banks are solely responsible for the acts of their service providers including their recovery agents.
- He informed that banks are either delaying or omitting to submit their loan books/debt information to Information Utility under IBC thus defeating its very objective of timely resolution of stressed assets.
- He requested the banks to come forward to open branches in four villages in the State having more than 5000 population.

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

- He briefed the forum on the Ground Level credit Target for Agriculture for the FY 2022-23 fixed by GOI and stated that the ACP projected by banks in Tamil Nadu is higher than the GLC.
- Under Agriculture Infrastructure Fund, Credit guarantee support is available through NABSAnrakshan, a fully owned subsidiary of NABARD.
- During the year, NABARD had conducted seven State level workshops and various district level workshops under ACABC scheme.
- Under Financial Inclusion Intervention programme, NABARD, TN has allocated Rs.15 crore budget out of which Rs.6 crore has already been sanctioned.

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

- He commended the functioning of SLBC and appreciated the improvements made by SLBC in providing the data as required by various stakeholders and timely conduct of meetings.
- Risk perception seems to be much lower than globally in the market in commodities, in gold etc.
- Government of India total revenue receipts shows a good trend and the performance of Tamil Nadu is much better under various dimensions compared to the national average.
- He endorsed the view of ACS-Finance for increasing the number of sub-committees to have discussions that are more meaningful in the main SLBC.
- He requested banks to diversify the list of borrowers under every scheme in order to increase the base.
- Technology upgradation is one of the most important factor and the state government is giving more focus on improving such technology so that there is more granularity in data generation.
- He finally informed the forum that with more co-ordination between the banking sector and the Government, lot more thing can be achieved for the betterment of the economy and he urged the bankers to actively involve themselves in all the schemes of the state where there participation is very much required.

Confirmation of Minutes of the 170th SLBC Meeting:

The forum confirmed minutes of the 170th SLBC meeting conducted on 13.06.2022.

REGULAR AGENDA

Agenda No.	Agenda	Observation/recommendation	Action Point
01.	Preparation of Annual Credit Plan & uploading of data in the portal by April every year	The Convenor briefed the forum on the performance of banks under various segments for the quarter ended June 2022 and advised LDMs to release the approved Credit Plans for the districts latest by third week of April every year so that the ACP for the State shall be released by end of April.	LDMs
02.	Ground Level Credit Target for Agriculture-State wise and Agency wise target for the year 2022-23.	The Convenor informed the forum on the Ground Level Credit Target for Agriculture for the FY 2022-23 fixed by GOI and informed by NABARD. He further informed that the target projected by banks in the State is higher than the one projected in GLC and requested the member banks to advise all their implementing branches to achieve the targets projected by them under their ACPs so that our state surpasses the target set by GOI.	Banks
03.	Provision and applicability of Shops & Establishment (S & E) Act on Banks	The Convenor informed about the Indian Banks' Association, communication on Provisions and Applicability of Shops & Establishment (S & E) Act on Banks and requested the State Government to kindly consider exempting all Banks from the applicability of the S & E Act by making suitable amendments in the Act. ACS-FN asked SLBC to send a communication in this regard.	State Government/SLBC
04.	Establishment of fully owned subsidiary viz., NABSanrakshan Trustee Pvt., Ltd by NABARD	The Convenor informed the forum on establishment of NABSanrakshan Trustee Pvt. Ltd a fully owned subsidiary of NABARD to manage the Credit Guarantee operations for two schemes viz., Animal Husbandry Infrastructure Development Fund (AHIDF) and the Central Sector Scheme (CSS)for	Banks

		<p>Formation and Promotion of 10,000 FPOs. He said that while some banks have on-boarded for both the schemes and requested the Member Banks who are yet to on-board to do the needful for each of the aforesaid scheme at the earliest.</p> <p>CGM-NABARD briefed the forum on NABSanrakshan scheme.</p>	
05.	Status of implementation of (Survey of Villages Abadi and Mapping with Improvised Technology in Village Areas) SVAMITVA SCHEME in Tamil Nadu	<p>The Convenor requested the State Government for demarcating inhabited land in rural areas by drone survey method and for issuing the Property Cards. Also, the Convenor requested the Member Banks to come up with any specific issue they might have in providing loans against property cards under the scheme. Commissioner, Survey, GoTN informed that for the state the survey was already conducted during the period from 1989-96 for Natham land and Natham Patta was issued which is a valid document authorized by GoTN and as such the Property Card concept is not relevant for taking loans in Natham areas. He requested banks to consider Natham Patta itself for loan processing.</p>	State Government/Banks
06.	Adoption of MSE clusters by Lead banks	<p>The Convenor informed the forum that four banks (State Bank of India, Indian Overseas Bank, Canara Bank and Indian Bank) having lead bank responsibility of various districts in Tamil Nadu have adopted one MSE cluster in each district. He advised LDMS of these districts to take up with the bank branches to ensure that credit requirement of the clusters adopted in their districts are adequately met and to review the progress in the block/district level meetings every month.</p>	LDMS
07.	Business Correspondents-Inoperative BCs	<p>The Convenor informed the forum that as per the data provided by RBI as on March 2022, there are around 32693</p>	Banks esp., ICICI, Yes Bank, UCO bank

		<p>inactive BCs with Yes Bank, ICICI, UCO bank to name a few with more than 25% inactivity ratio. He advised the banks to take necessary steps to reduce the number of inactive BCs to the bare minimum.</p> <p>MD-TNCDW wanted banks to engage IIBF certified SHG members as BCs.</p>	
08.	Providing Banking Solutions in Unbanked Areas	<p>The Convenor informed that four villages viz., Vattuvanahalli in Dharmapuri District, Batamugulalam and Thagatti in Krishnagiri district, Tholampalayam in Coimbatore District and Melmudiyapur in Thiruvannamalai district having population more than 5000 are not provided with brick and mortar branch of any scheduled commercial bank (including RRB). He requested Indian Bank and Canara Bank to open brick and mortar branches at the locations, and to submit status report/Road map on opening of the branches to SLBC by end of this month for onward communication to RBI and DFS.</p>	Indian Bank/ Canara Bank
09.	KCC for AH & Fisheries - Special Saturation Drive	<p>The Convenor informed the forum that in many districts there are applications pending for more than 15 days without any action being taken by concerned bank branches. He advised LDMs to follow up with the concerned branches to dispose of the pending applications without further delay.</p> <p>LDM Kancheepuram suggested that applications may be sent directly to the branches which will reduce the turnaround time. He also added that many applications sent to branches are not complete in all aspect. The Convenor replied that the applications will be routed only through concerned LDMs as per campaign guidelines and are not to be directly sent to branches.</p> <p>Director, Animal Husbandry informed the forum that only 18 applications have been processed in our State under</p>	LDMs/Aavin

		<p>AHIDF despite the fact that various steps are being taken to popularize the scheme.</p> <p>Commissioner, Fisheries informed that the applications are scrutinized by their dept. officials at district level to check that the applications are complete in all aspect.</p> <p>LDM Kallakurichi informed that if there is some sort of tripartite agreement or buy back arrangement is put in place among the borrower, the lending bank branch and milk federation (like Aavin) procuring the milk, the loan off take would improve.</p> <p>LDM Krishnagiri said if more applications come through private dairies, the performance will further go up.</p> <p>LDM Nilgiris wanted the applications to be forwarded to the branch where the applicant is receiving the amount.</p> <p>ACS-FN asked representative of Aavin to explore the possibilities of giving directions to milk societies to transfer the milk proceeds directly to the loan account of the branch.</p> <p>The Convenor explained that the practice of execution of such Tripartite Agreement is already prevailing. He requested the department to give the district-wise, branch-wise list of pending applications to SLBC for following up with the banks.</p>	
10.	PMAY(U) – Housing Loans to the beneficiaries	<p>The Convenor dwelt briefly on the performance of the banks under various components of the scheme.</p> <p>MD-Urban Habitat informed that there was a meeting with all banks representative on 19th of July 2022 where the detailed scheme guidelines including tripartite agreement were discussed and requested the banks to issue suitable circular. Canara Bank, Bank of India, BoB, HDFC to name a few, have already issued circulars in this regard. Remaining banks were requested to issue the circular at the earliest. Similarly, district level habitat committee has been</p>	Banks/Urban Habitat department

		formed where LDM is one of the members to review the progress of the scheme. DGM Indian Bank requested MD-Urban Habitat to issue a letter addressed to all Banks giving the details of each scheme as the circular for PMAY-U is issued by different department in their bank.	
11	Progress on economic development Schemes- implemented by TAHDCO	<p>MD TAHDCO briefed the forum on the method of processing of applications at district level. He further informed that pendency at bank level is there for a long time and requested bankers to dispose the applications at the earliest. Similarly, many applications are pending for release of subsidy and applications are pending even after release of subsidy.</p> <p>He further insisted that instead norms laid down by the department be followed while processing TAHDCO loan. He also wanted banks to provide bulk loans.</p> <p>ACS-FN insisted that TAHDCO has to go for computerization of applications so that tracking of applications would be possible. LDM Madurai wanted the process of claiming subsidy to be streamlined.</p> <p>MD TAHDCO informed that now the subsidy is first provided by the department and later claimed from the government.</p> <p>LDM Thirupattur wanted a District Office set up as presently there is none.</p> <p>LDM Dindigul wanted the portal to be revamped.</p>	Banks/TAHDCO
12	PM Formalization of Micro Food Processing Enterprises Scheme (PMFME Scheme) – need for improvement	<p>The Convenor briefed on the scheme guidelines and informed that some bank branches are not regularly logging into the portal to view and process the applications and hence the pendency is more. He requested all banks to sensitise their branches to periodically login and view/process the applications.</p> <p>Secretary, GoTN informed that Pan India, the State of Tamil Nadu is in 2nd position and informed all the banks that 35% of the project cost or Rs.10 lakhs whichever is least is available as subsidy. He also requested SBI, Canara Bank, Indian Bank and IOB, which are having major pendency of applications to process the same without further delay.</p>	Banks/SBI/Agri Department-GoTN

		<p>ACS-FN informed that Rs.500 crore allocations is available for the State and requested Industries Commissioner and MD, TNCDW to bring Micro food processing units and SHGs/PLFs involved in food processing activities under the scheme to avail the benefits. RD-RBI enquired if the benefits of the scheme are disseminated to the intended beneficiaries for which ACS-FN informed that sensitization shall be made through DIC, TNCDW to bring awareness.</p> <p>DGM-SBI replied with regard to pendency of applications pertaining to their bank that within fortnight the 140 pending applications would be cleared.</p> <p>RD-RBI requested the banks not to insist on collateral security and service area concept should not be a valid reason for rejection.</p> <p>ACS-FN requested Director, Agriculture Marketing to analyze the reasons for rejection of applications so that it can once again be taken up with the concerned branches if it is rejected on above-mentioned grounds.</p> <p>LDM Thiruvannamalai briefed the forum about how their district performed under the scheme.</p> <p>LDM Namakkal informed that in their district before applying in the online portal the project would be discussed with the applicant through DRPs so that the application satisfies all the requirements as per the bank guidelines.</p> <p>LDM Krishnagiri informed that each bank have formulated board approved policy with regard to CIBIL score and the branches are following it and service area approach with regard to Government sponsored scheme are duly followed. He further requested Agriculture Department to inform the LDMs on forwarding of applications by DD Agri Marketing to branches. ACS-FN requested Agri department to send necessary communication in this regard at the earliest.</p> <p>With regard to query raised by LDM Villupuram on count of rejected</p>	
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		applications, it was clarified that though applications goes to two banks as per the provision available to the applicant, rejection will be treated only as one and not two as claimed by the LDM.	
13.	Atal Pension Yojana	The Convenor reviewed the performance under APY both bank wise and branch wise and advised banks to achieve the target allotted to them so that our state achieve the targets.	Banks
14	Financing to Self Help Groups	<p>The Convenor informed the forum on the target set for the FY 2022-23 and the achievement made so far by banks as on 31-07-2022. He requested Member Banks under all the components of the scheme and achieves the proportionate target on monthly basis.</p> <p>MD, TNCDW informed on the pendency of applications pending with various banks and requested banks to process the applications at the earliest. She requested banks to give thrust on PLF bulk loan also so that the target is achieved. 11 districts have not processed even one bulk loan application and requested the LDMS of those districts to take up with the bank branches to sanction bulk loans. She also requested the LDMS/Banks to provide the details of SHGs as asked by PS-RD & PR. Similarly, she asked all the banks to enter the details in the NRLM portal so that subvention will be provided to all the eligible beneficiary. MD-TNCDW also informed that recovery camps will be held at block level and schedule for the same will be communicated shortly. Under Vaazhndhu Kaattuvom-Matching grant program, so far six banks have tied up and requested other banks to come forward.</p> <p>LDM Madurai informed that banks sanctioning PLF bulk loan are insisting that all the accounts of SHGs be maintained with them. The Convenor replied that it is not mandatory that all the SHGs in the PLF need to have account with the bank where the PLF avails loan. He further asked on legal validity on providing details of NGOs for which the MD-TNCDW clarified.</p>	LDM Chennai, Ariyalur, Coimbatore, Chengalpattu, Kanchipuram, Kanniyakumari, Krishnagiri, Mayiladuthurai, Nagapattinam, Tiruvarur and Vellore

		<p>LDM Thirupattur wanted the bank head office to provide the details of SHGs instead of asking from LDMs.</p> <p>RD-RBI wanted all the schemes of the State government either as soft copy/booklet form so that it can be disseminated up to the field level.</p> <p>Chairman-SLBC suggested if some sort of portal similar to GOI portal where all the schemes are portrayed will be useful to the bankers and public at large.</p>	
15.	PM SVANidhi Scheme	<p>The Convenor reviewed the bank wise/district wise performance under the scheme.</p> <p>The Secretary informed that under the scheme, the state's performance is far below when compared to other state and number of cases pending for disbursement is around 35000 and requested banks to immediately disburse the same. As far as the second tranche is concerned, only 13000 beneficiaries out of 70000 eligible beneficiaries are provided credit and he requested banks to improve the performance. He further informed that every Wednesday would be observed as street vendor's day to address the issues. It was also informed that lot of applications are rejected due to no/low CIBIL score.</p> <p>The Convenor informed that Member Banks were already informed through various communications in the past with regard to not to return applications on the basis no/low cibil score.</p>	Banks
16	SATURATION OF FARMERS UNDER KISAN CREDIT CARD (KCC) SCHEME	<p>The Convenor detailed the forum on the KCC saturation, which includes coverage of all PM KISAN beneficiaries under KCC and reviewed the performance of the banks under the scheme as on 29-07-2022.</p>	Banks
17.	Agriculture Infrastructure Fund (AIF)	<p>The Convenor briefed the forum about the scheme and reviewed the performance of banks as of July 2022. He requested the Member Banks to advise their branches suitably to process the remaining applications at the earliest. He also informed the forum about the AIF conclave held at Trichy on 12.08.2022 organized by GoTN.</p> <p>ACS-FN-GoTN informed that under the scheme the allotment for the State is</p>	Banks

		around Rs.6000 crore but the performance needs improvement. PS-Agriculture , GoTN informed that GOI is in the process of revising the existing guidelines to include food processing also. CGM-NABARD briefed the forum on their role under AIF scheme.	
BS-4	Micro, Small and Medium Enterprises Sector	The Convenor reviewed the performance of banks under MSME sector. Industries Commissioner informed the forum that under NEEDS/UYEGP even though overall performance is there, the credit flow to SC-ST and differently abled is not up to the mark and requested banks to improve their performance under these categories.	Banks

Table Agenda:

Agenda No.	Agenda	Observation/recommendation	Action Point
01.	Trade Receivables Discounting System (TReDS)	Industries Commissioner and Director of Industries and Commerce , GoTN, Madam Sigy Thomas Vaidhyan IAS., presented before the forum power point presentation about the TN-TReDS in detail. Before, this she informed on lack of Udyam Registration Certificate in MSME accounts, which shall have impact on the lending figures to MSME in the State and requested Bankers to take remedial measures on camp mode. She requested the bankers to join and ensure MSMEs have faster channels for realization of their dues. Chairman SLBC enquired on the TAICO bank ability to refinance and any regulator permission is required, for which the commissioner replied that TAICO bank capital base is presently Rs.1000 crore and formal meeting is scheduled with RBI/NABARD.	Banks

Due to time constraint, following two table agendas could not be discussed in the meeting:

- Implementation of Weavers Mudra Scheme in Tamil Nadu
- National E-Governance Services Ltd.

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