

PRESS RELEASE OF THE HONOURABLE MINISTER FOR FINANCE AND HUMAN RESOURCES MANAGEMENT

A Special Meeting of the State Level Banker's Committee, chaired by Honourable Minister for Finance and Human Resources Management, Tamil Nadu Thiru. Palanivel Thiaga Rajan was held on 11.06.2021 through Video Conference.

The Government of Tamil Nadu requested convening of a special meeting of the State Level Banker's Committee to discuss the need for supporting MSMEs, which have been greatly affected by the COVID-19 pandemic, with the banking community of Tamil Nadu.

The Hon'ble Minister for Finance and Human Resources Management welcomed and thanked all the Government officials and RBI, the Bankers for participating in the meeting. On behalf of the Honourable Chief Minister of Tamil Nadu, the Minister conveyed his appreciation to the Banking Community for their continued efforts through these challenging times.

He highlighted the remarkable containment efforts that are being undertaken by the Government of Tamil Nadu in containing the second wave of COVID-19 pandemic. He emphasized on the continuous efforts of the Government Machinery, the community and the diaspora in containing the COVID-19 pandemic in Madurai. He stated that in a period of three weeks, the positivity rate has reduced from 20% to 3.5% and the daily case load from around 1500 cases to around 200 cases.

He highlighted the important role of Banks in the economy by mentioning that almost 80% of the credit comes from Banks, which is not the case with advanced economies, where the major portion of the credit comes from the

public bond market. He also highlighted the important developmental role that banks play through Priority Sector Lending.

The Minister emphasized that the COVID-19 pandemic has disrupted the economy and affected the lives and livelihood of the people working in unorganized sector and MSMEs in a great manner.

He stressed the importance of the MSME sector to the economy which provide job opportunities to lakhs of people. He also stated that MSMEs do not have luxury of restructuring or diversifying like big businesses and are therefore in need of support from banks. He exhorted the banks to focus on extending credit to the MSMEs through various schemes of the State and Union Government. He also emphasized that the benefits of various RBI announced relief measures should reach the intended beneficiaries.

He highlighted the importance of collating data pertaining to the disbursement of loans to MSMEs at more frequent intervals in order to better assess the impact of support extended to MSME sector. He also called for creating more awareness of the schemes and relaxations announced by RBI and Government to support MSMEs so that the end-users are benefited. To this end, State Government agencies would also create awareness through multiple channels.

The meeting was attended by Thiru. V. Irai Anbu IAS, Chief Secretary, Tamil Nadu, Thiru S. Krishnan IAS, Additional Chief Secretary, Finance, Thiru. Arun Roy IAS, Secretary MSME, Thiru P.P. Sengupta, MD, Indian Overseas Bank, officials from Finance Department of Tamil Nadu, Reserve Bank of India and various banks.

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