

**109<sup>th</sup> MEETING OF STATE LEVEL BANKERS' COMMITTEE, KERALA**  
**AGENDA AND BACKGROUND NOTES**

Date : 26.03.2013 (Tuesday)  
Time : 10 a.m.  
Venue : Hotel Residency Tower  
Govt. Press Road, Trivandrum

**1. ADOPTION OF MINUTES**

The minutes of the 108<sup>th</sup> Meeting of SLBC, Kerala held on 3<sup>rd</sup> January, 2013 has already been forwarded to the members vide Convener's letter SLBC 35 41 2013 KRA dated 23<sup>rd</sup> January, 2013.

The House may adopt the said minutes.

**2. ISSUES RELATING TO GOVERNMENT DEPARTMENTS**

## 2.1. PENDING ISSUES IN SLBC & ACTION TAKEN REPORT

### 2.1.1. PRIMARY SECTOR

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
2.1.1.1	<b>Allocation of Agri. Term Loan (ATL) - Agency-wise target -2012-13</b>	<p><i>In the 107<sup>th</sup> Meeting of SLBC Kerala, it was decided that SLBC would allocate the revised target for term loans, agency wise. Based on the apprehension that the enhanced target may affect the PLP and DCP already put in place, the forum concurred with the view that Government may constitute a committee comprising of various departments so as to enable identification and allocation of the activities.</i></p> <p><i>Agriculture Department was entrusted to convene a meeting with respective commodity Boards, Planning Board and Banks to identify and allocate the activities to be promoted under investment credit to improve the credit offtake under term loans.</i></p>	<i>Agriculture Department</i>	<p>In the 108<sup>th</sup> Meeting of SLBC, Kerala the Agricultural Production Commissioner, Government of Kerala assured convening the meeting in consultation with NABARD and SLBC.</p> <p>SLBC Cell vide letter No. SLBC 35 32 2013 AKP dated 18.01.2013 had written to the Director of Agriculture.</p> <p>In the absence of representative from Agriculture Department in the Sub-Committee of SLBC Kerala on Primary Sector Issues held on 27.02.2013, the Chief (Agriculture), State Planning Board informed that since this was a serious issue, the matter would be brought to the notice of APC and Secretary (Agriculture) and the outcome would be apprised at the earliest.</p> <p>No meeting has been convened so far and there has been no progress in the matter.</p> <p>Agriculture Department to inform the progress in this regard in the SLBC meeting.</p>
2.1.1.2	<b>Non payment paddy price to farmers by M/s. Civil Supplies Corporation</b>	<p><i>The non payment of paddy price to farmers on account of paddy procurement through Civil Supplies Corporation is yet to be redressed. An early settlement of the dues was sought and the issue was taken up in 107<sup>th</sup> meeting of SLBC, Kerala.</i></p> <p><i>It also recommended that EBT system be implemented by Civil Supplies Corporation in this regard.</i></p>	<i>Food &amp; Civil Supplies Department</i>	<p>In the 108<sup>th</sup> Meeting of SLBC Kerala, the representative from Food &amp; Civil Supplies Department informed that the matter is being dealt by SUPPLYCO and that the forum may request to the Government to release the funds. The forum decided to take up the matter with the concerned Department.</p> <p>SLBC Cell vide letter No. SLBC 35 33 2013 AKP dated 18.01.2013 had taken up with the Food &amp; Civil Supplies Department.</p>

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				<p>In the Sub-Committee meeting of SLBC Kerala on Primary Sector Issues held on 27.02.2013, the member banks of the Sub-Committee felt that the issue would have been resolved to a great extent. However, the Sub-Committee opined that once the confirmation is received from Food &amp; Civil Supplies Department the issue could be dropped.</p> <p>Food &amp; Civil Supplies Department to inform the position regarding clearance of payments to farmers for paddy procurements.</p>
2.1.1.3	<b>Stamp Duty exemption for Agricultural loans availed from Commercial Banks</b>	<i>Stamp duty on agricultural loan is exempted for co-operative banks in Kerala. However, such exemption is not available for Commercial Banks and RRBs. The share of primary sector credit by Commercial banks is substantial. It is recommended by Department of Financial Services, GoI, that, the same may be made applicable to commercial banks also which may result in an increased credit flow to agriculture sector.</i>	<i>Finance / Taxes Department.</i>	<p>In the 107<sup>th</sup> Meeting of SLBC, when the issue was raised, the representative from Taxes Department informed that financial implication on the matter is under the consideration of Finance Department.</p> <p>In the 108<sup>th</sup> Meeting of SLBC Kerala the representative from Taxes Department informed that the Department is examining the matter in consultation with Finance Department.</p> <p>Vide letter No.247/PLG A2/2012/Fin dated 05.01.2013, the Principal Secretary Finance (Planning A) Department, Government of Kerala informed that “ the proposal of Taxes (E) Department has been received in Finance Department which is under examination of Finance (Secret) Department”.</p> <p>SLBC Cell vide letter No. SLBC 35 34 2013 AKP dated 21.01.2013 had followed up the matter with Finance Dept.</p> <p>No progress has been made on the issue and Finance/ Taxes Department, Government of Kerala to inform the position.</p>

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2.1.1.4	<b>E-payment Mechanism for Department of Agriculture</b>	<p><i>In the 107<sup>th</sup> Meeting of SLBC it was informed that banks are supporting the EBT mechanism. It was suggested that a uniform mechanism be evolved for all payments effected from the Government side rather than individual departments going in for payment mechanism which may result in issues at a later stage.</i></p> <p><i>The forum concurred with the suggestion that Government of Kerala may evolve a uniform payment mechanism adaptable for all departments - the modus operandi of which shall be evolved at the earliest.</i></p> <p><i>The Additional Director of Agriculture, Government of Kerala informed that the transfer of credit assistance to farmers would be done at the Directorate itself. Accordingly RKBY group farming scheme with an outlay of Rs. 3000 lakhs was identified. So far Directorate had arranged payments to 1517 farmers directly to their account. On account of certain issues the Directorate had requested Government for modifying the process. As per Government letter dated 16.09.2012 Government had issued directions to open current account by the Principal Agriculture Officers (PAOs) at district level and Assistant Directors (ADs) at Block level. Now PAOs and ADs are approaching the banks for opening current account especially for transaction related to e-payment for the implementation of the scheme by the Department of Agriculture during the financial year. SLBC may give necessary directions to the banks for</i></p>	Agriculture Department/.Banks/SLBC	<p>In the 108<sup>th</sup> Meeting of SLBC Kerala, the Additional Director of Agriculture informed that the matter would be examined and meeting would be held to evolve a uniform mechanism.</p> <p>SLBC Cell vide letter No. SLBC 35 35 2013 AKP dated 21.01.2013 had written to Director, Agriculture for holding the meeting for resolving the issue.</p> <p>In the absence of representative from Agriculture Department in the Sub-Committee meeting of SLBC Kerala on Primary Sector Issues held on 27.02.2013, the Chief (Agriculture), State Planning Board opined that at present implementation of a uniform payment mechanism adaptable for all Departments would not be possible and it would take some more time.</p> <p>In view of the clarification given by the Chief (Agriculture), State Planning Board, the Sub-Committee recommended to suggest <b>dropping</b> of the issue.</p>

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		<p><i>supporting the scheme for e-payment system.</i></p> <p><i>The forum suggested holding separate discussions for streamlining the issue and hence instructed to have separate meeting for this.</i></p>		
2.1.1.5	<b>Financing of tenant farmers/oral lessees and share croppers</b>	<p><i>Formation and credit linking of Joint Liability Groups (JLGs) has been a priority area for the Central and State Governments as well as NABARD for inclusive growth of small &amp; marginal farmers and oral lessees. JLG financing by banks in Kerala has helped in revival of paddy cultivation and other farming activities through lease land cultivation. However, considering the fact that leasing of land is legally not permitted as per the existing Kerala Land Reforms Act, banks find it difficult to extend adequate finance to JLGs for undertaking productive activities. Land owners too, are not willing to lease their land since they are not interested in their land being put to agriculture activity. Hence, it is a felt need that there shall be a process of providing access to formal credit by tenant farmers/ oral lessees by making appropriate legal provisions.</i></p>	Agriculture / Revenue / Department	<p>During the 107<sup>th</sup> Meeting of SLBC, Kerala held on 18.09.2012, the Additional Director of Agriculture, Government of Kerala informed that Government has not issued any order to this effect. Government is implementing one contract farming scheme which was informed to SLBC. He added that RKBY scheme is being implemented by the Government on the same line as that for tenant farmers.</p> <p>It was felt that since the matter falls under the purview of Kerala Land Reforms Act, a policy decision may have to be taken by the Government.</p> <p>The 108<sup>th</sup> Meeting of SLBC Kerala again noted that no progress was made.</p> <p>SLBC Cell vide letter No. SLBC 35 36 2013 AKP dated 21.01.2013 had written to the Secretary, Agriculture Department.</p> <p>In the absence of representative from Agriculture Department in the Sub-Committee meeting of SLBC Kerala on Primary Sector Issues held on 27.02.2013, the Chief (Agriculture), State Planning Board suggested taking up the matter separately with concerned Departments as a policy decision may have to be taken by the Government. Hence it may be dealt with separately outside the purview of SLBC. He suggested referring the issue to a high level committee in the Government involved in the policy framing process.</p>

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				<p>The Sub-Committee hence decided to pursue the matter.</p> <p>The present position may be appraised.</p>
2.1.1.6	<p><b>Widening and deepening the spread of Kisan Credit Card (KCC)</b></p>	<p><i>The issue was first discussed in the 106<sup>th</sup> meeting of SLBC, Kerala wherein as per Ministry directives all banks need to obtain certification from the village headman/Panchayat member/ward member for having covered all the farmers in their service area with a KCC.</i></p> <p><i>Banks to come out with ATM enabled KCC for fresh loans and renewals.</i></p>	<p><i>Agriculture Department</i></p>	<p>In the 108<sup>th</sup> Meeting of SLBC Kerala, the Additional Director of Agriculture informed that as on the date of the meeting, 14.69 lakhs farmers have been registered at various districts. He added that the Department had also given a cut off date for registration. However, once the benefits started flowing to the registered farmers, more people are coming forward for enlisting their names as farmers.</p> <p>The forum noted that the list is yet to be digitized by the Agriculture Department and that as per the available statistics all the farmers are covered with KCC. In the absence of a foolproof confirmation, the forum decided to carry forward the item</p> <p>The Additional Director of Agriculture, however assured to provide the soft copy of Bank wise/District wise details to SLBC at the earliest.</p> <p>SLBC Cell vide letter No. SLBC 35 73 2013 AKP dated 22.02.2013 had written to the Director of Agriculture for providing the list of farmers district wise.</p> <p>In the absence of representative from Agriculture Department in the Sub-Committee meeting of SLBC Kerala on Primary Sector Issues held on 27.02.2013, the Chief (Agriculture), State Planning Board informed that the registration process is still in progress. The Sub-Committee decided to pursue the matter with Agriculture Department.</p>

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				Agriculture Department to inform the latest position.
2.1.1.7	<b>Pilot project for registration of farmers in Wayanad District</b>	<i>With regard to providing statistical data on the number of farmers in the State, an attempt is being made on a pilot basis to register all the farmers in the website of Agriculture Department specially developed for the same. Accordingly Wayanad District was selected for the registration of farmers in the web based package of the Agriculture Department. If found successful the exercise would be extended to all the districts of the State. This also would enable the Agriculture Department to effectively implement the EBT payment systems besides having a complete data base of farmers in the state.</i>	<i>Agriculture Department</i>	<p>In the 108<sup>th</sup> Meeting of SLBC Kerala, the Additional Director of Agriculture informed that in Wayanad District, 1,04,700 farmers have registered as on the date of the meeting. The Department had given wide publicity in all the panchayats through print and electronic media. It was informed that though cut off date was stipulated people are coming forward for the registration process. Seeing the success of the process, the Department had implemented the registration process in all the district of the State.</p> <p>The forum requested the Agriculture Department to provide the data in soft copy to LDM and SLBC once the process is completed.</p> <p>SLBC Cell vide letter No. SLBC 35 37 2013 AKP dated 21.01.2013 had written to the Secretary, Agriculture Department for the list of farmers in Wayanad District.</p> <p>In the absence of representative from Agriculture Department in the Sub-Committee meeting of SLBC Kerala on Primary Sector Issues held on 27.02.2013, decided to pursue the matter with Agriculture Department. However, as informed by the Chief (Agriculture), State Planning Board the entire process would be completed only once all farmers including those from plantation segment and commodity boards are also brought under the purview of the survey. This, we felt may take more time to be fulfilled and a list of farmers thus prepared.</p>

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				<p>Agriculture Department may however inform the position.</p>
2.1.1.8	<b>Debt Relief scheme for Fishermen - Government proposal for extending relief to loans</b>	<i>The Kerala Fishermen Debt Relief Commission (KFDRC) Act 2008 was enacted and brought into force for constituting a Commission to recommend relief measures to the fishermen who are in distress due to indebtedness. Based on the recommendations of the commission Government has already settled the loans availed by fishermen from Co-operative banks. The</i>	<i>Kerala Fishermen Debt Relief Commission</i>	<p>The 108<sup>th</sup> Meeting of SLBC Kerala took up the draft scheme provided by Kerala Fishermen Debt Relief Commission. Since many of the members expressed concerns over several aspects the forum suggested calling for independent views from banks to be submitted by 15.01.2012 failing which the proposal would be accepted.</p> <p>State Bank of India, Federal Bank and NMGB had proposed their respective views on the proposal submitted by the Commission the same were forwarded to the Commission by SLBC Cell.</p>



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	<p><b>availed from Nationalized / Scheduled Banks</b></p>	<p><i>Commission has now approached SLBC for working out modalities for settling dues of fishermen who have availed loans from Commercial Banks. To begin with broad guidelines have been evolved regarding the eligible amount, cutoff dates etc. and bankers have requested the Commission to provide the complete list of eligible beneficiaries bank-wise and amount wise.</i></p>		<p>In the Sub-Committee meeting of SLBC Kerala on Primary Sector Issues held on 27.02.2013, responding to the bankers demand for providing the list of eligible beneficiaries to be covered under the scheme, the Secretary, Kerala State Fishermen Debt Relief Commission informed that it is difficult to provide the complete list of eligible beneficiaries as the screening process is still in progress.</p> <p>The Sub-Committee suggested that banks will not be in a position give a blanket approval for the list of beneficiaries for being considered under the scheme covered under the Commission and that any proposal for write off or restructuring of the loans in a mass scale requires the approval from the respective banks Board. Hence, it was proposed that the Commission may submit the list bank wise for beneficiaries having liability up to Rs. 1.5 lakh.</p> <p>Kerala Fishermen Debt Relief Commission to inform the response to member banks.</p>

### 2.1.2. TERTIARY SECTOR

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
2.1.2.1	<b>Education Loan Interest Subsidy Scheme – 2004-2009 for unemployed BPL category beneficiaries</b>	<p style="text-align: center;"><i>As per the Government Order G.O (MS)No.36/12/Planning dated 18.10.2012 of Planning &amp; Economic Affairs (F) Department, it is ordered that the interest burden of Education loan availed by students during the period 2004-2009, belonging to BPL category and are unemployed shall be provided by the Government of Kerala as per the budget pronouncement.</i></p>	<p style="text-align: center;"><i>Planning &amp; Economic Affairs Department</i></p>	<p>According to the G.O. the last date stipulated for submission of claim was 31.12.2012 and processing by banks was 31.01.2013. Due to the delay in notification, the eligible beneficiaries could not stake their claim. Accordingly there was representation to the SLBC by various LDMS for revising the dates stipulated.</p> <p>SLBC Cell vide letter No. SLBC 35 26 2013 AKP dated 18.01.2013 had written to Principal Secretary, Planning &amp; Economic Affairs Department. Government vide Order No.20959/F2/2012/Plg dated 17.01.2013 extended the cut off dates. Accordingly the last date for banks to submit the claim to the Collectorate was fixed at 21.02.2013 and the date for settlement from Collectorate to the beneficiary account is 12.03.2013.</p> <p>In the Sub-Committee meeting of SLBC Kerala on Tertiary Sector Issues held on 27.02.2013, the Deputy Secretary, Planning &amp; Economic Affairs Department, Government of Kerala informed that 14504 applications have been received till 31.01.2013.</p> <p>The members of the Sub-Committee requested the Planning &amp; Economic Affairs Department, Government of Kerala to place the status in the ensuing SLBC meeting for information.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
2.1.2.2	<b>One Family One Account Campaign – Issue of coverage certificate by peoples’ representatives</b>	<i>All rural/semi-urban branches in the state have to ensure that each family in their service area villages is having at least one bank account. A completion certificate is to be obtained from the Village Headman (Panchayat President/Member) after completion of this campaign. Even among those branches which have completed the task, only a few have got completion certificate from the respective authorities.</i>	<i>Local Self Government Department</i>	<p>SLBC Cell vide letter No. SLBC 35 27 2013 AKP dated 18.01.2013 had written to the Principal Secretary, Local Self Government Department seeking an order to the Panchayat for issuing appropriate completion certificates for the campaign wherever undertaken by banks.</p> <p>The Sub-Committee meeting of SLBC Kerala on Tertiary Sector Issues that met on 27.02.2013 noted that almost all bank branches were in a position to complete the campaign and obtain requisite certificate from the ward member or elected representatives.</p> <p>In the light of the above, the Sub-Committee recommended <b>dropping</b> the item.</p>
2.1.2.3	<b>UIDAI - AEBA - Aadhaar Enabled Bank Accounts</b>	<p><i>Government of India is planning to make payment of all benefits/ subsidies/ scholarships through Aadhar linked bank accounts.</i></p> <p><i>Despite intense efforts made by Bank staff, the local representatives, LDM and Kudumbasree workers, the campaign is not making the required progress. Unless there is a compulsion from Government level, people will not show much interest in such a campaign. Government may issue clear guidelines to all line departments to popularize the concept of Aadhaar Enabled Bank Accounts and to assist bank branches in the process of linking bank accounts to Aadhaar number.</i></p>	<i>Information Technology Department</i>	<p>In the 108<sup>th</sup> meeting of SLBC, the Agricultural Production Commissioner, Government of Kerala suggested that SLBC may write to the Chief Secretary of the State and Secretary, Information Technology in this regard so that public awareness could be created.</p> <p>As per SLBC decision, SLBC Cell vide letter No. SLBC 35 28 2013 AKP dated 18.01.2013 had written to the Chief Secretary, Government of Kerala with copy to Principal Secretary, Information Technology.</p> <p>In the Sub-Committee meeting of SLBC Kerala on Tertiary Sector Issues held on 27.02.2013, it was informed that Government has released both press and FM radio advertisement covering the aspects.</p> <p>In the light of the above, the Sub-Committee recommended <b>dropping</b> the item.</p>

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2.1.2.4	<b>Non Receipt of Government Subsidy for Bank Loans sponsored by Scheduled Caste Development Offices</b>	<p><i>Scheduled Caste Development Officers sponsor Bank Loan applications received from SC candidates for starting Self Employment / Business Activities. As per the scheme guidelines, the Bank Loan is to be disbursed and assets are to be created first. After verification of the assets created from out of bank loan by the officials of SC Development Office, the Government Subsidy will be released.</i></p> <p><i>Many bank branches have reported non receipt of Government Subsidy for the loans sponsored by SC Development Offices. Few bank branches are quoted below:</i></p> <ul style="list-style-type: none"> <li><i>• Canara Bank, Sasthamcottah Branch: 2 Loans – Loans disbursed during 2011-12. Subsidy not yet received.</i></li> <li><i>• Indian Bank, Kallumkadavu: 1 Loan – Loan disbursed during 2011-12 and repayment is also prompt. But SC Development Officer reported that Asset Creation is not satisfactory and hence he has not recommended for release of Government Subsidy.</i></li> <li><i>• Corporation Bank, Thrikkaruva: 2 Loans disbursed in 2011-12 and 2 Loans disbursed in 2012-13 first half. Subsidy not yet received.</i></li> </ul>	SC Development Department	<p>As per SLBC decision, SLBC Cell vide letter No. SLBC 35 29 2013 AKP dated 18.01.2013 had written to the Secretary, SC Development Department.</p> <p>In the absence of representatives from SC Development Department, the Sub-Committee meeting of SLBC Kerala on Tertiary Sector Issues that met on 27.02.2013 decided to pursue the matter with SC Development Department.</p> <p>The SC Development Department, Government of Kerala may inform the position.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
		<ul style="list-style-type: none"> <li>• <i>Indian Overseas Bank, Chemmakkad Branch: 1 Loan disbursed in 2009-10. Project Cost is Rs.1.00 Lakh and Eligible Subsidy of Rs.0.33 lakh is not yet received.</i></li> <li>• <i>SBT, East Kallada Branch: 1 Loan disbursed in 2011-12. Project Cost is Rs.3.00 lakh and eligible subsidy of Rs.1.00 lakh is not yet received by the bank branch.</i></li> <li>• <i>Central Bank of India, Kunnicode Branch: 15 No of Loans - disbursed during the two financial years – 2005-06 and 2006-07. Total Cost of projects is Rs.9.12 lakhs and total subsidy portion is Rs.3.04 lakhs. The subsidy is not yet received by the bank branch.</i></li> </ul> <p style="text-align: center;"><i>Due to non receipt of subsidy from the sponsoring agency, many loan accounts slipped into NPAs. In some cases, staff accountability is also fixed against the Branch Managers who have sanctioned these loans. During the current financial year also, the bank branches are getting the loan applications from the offices of SC Development Officer.</i></p> <p style="text-align: center;"><i>The issue was placed in SLBC seeking direction to get the eligible subsidy amount released.</i></p>		

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2.1.2.5	<p><b>Request for Interest Subvention for Bank Loans to SHGs [Andhra Pradesh Model]</b></p>	<p><i>In the state of Andhra Pradesh, the State Government has introduced a 3% Interest Subvention Scheme for Bank Loans sanctioned to SHGs. Under this, all SHGs who have availed Bank Loans up to Rs. 5.00 Lakhs and pay EMI/ installment amount promptly will be eligible for interest subvention. The interest subsidy amount is paid into the accounts of the Self Help Group (SHGs) once in half year. After seeing the response and its impact, the Government of AP has amended the scheme and is giving full reimbursement of interest on Bank Loan. The name of this scheme is 'VADDI lenu Runalu'. The scheme operates as per the following guidelines.</i></p> <p>a) <i>The Vaddi lenu Runalu' (VLR) Scheme will be implemented with effect from 1.1.2012 for all repayments made after that date for the outstanding SHG Bank Loans including any fresh loans given thereafter.</i></p>	<p><i>Commissionerate of Rural Development</i></p>	<p>The 108<sup>th</sup> Meeting of SLBC, Kerala held on 03.01.2013 concurred with the recommendation of DCC, Kollam and recommended that since Self Help Groups play a vital role in meaningful financial inclusion in the State of Kerala, Government of Kerala may also come out with an Interest Subvention Scheme similar to the Vaddi lenu Runalu' (VLR) Scheme of Andhra Pradesh for the prompt repaying SHGs.</p> <p>SLBC Cell vide letter No. SLBC 35 30 2013 AKP dated 18.01.2013 had written to the Commissioner for Rural Development.</p> <p>The Sub-Committee meeting of SLBC Kerala on Tertiary Sector Issues that met on 27.02.2013, the representative from Kudumbashree informed that they are coming out with a interest subsidy scheme effective from 1<sup>st</sup> of April 2013.</p> <p>In the light of the above, the Sub-Committee recommended <b>dropping</b> the item.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
		<p>b) <i>The interest incentive will be released to the groups once in 6 months.</i></p> <p>c) <i>Only groups which repay regularly will be eligible for the incentive.</i></p> <p>d) <i>The incentive amount will be released directly into the account of the SHG concerned.</i></p>		
2.1.2.6	<p><b>Stay Granted by Government Authorities in Revenue Recovery Proceedings</b></p>	<p><i>Recovery measures through Revenue Recovery is affected due to the indiscriminate stay orders for recovery and permission of long term instalments for the defaulted amounts by various Government authorities including the District Collectors and the Revenue Minister's Office. In the defaulted accounts, the Bank is initiating legal measures for recovery as a last resort after permitting time to the defaulters for settling the dues and also as avenue for compromise settlements.</i></p> <p><i>Issue of stay orders / permission of long term instalments at this stage affects the recovery of the over dues and NPA of the Bank. In deserving cases Government may grant permission to extent the repayment of the dues up to a reasonable time after obtaining bank's view on a case to case basis. The delegated powers of the Government Officials to permit the stay orders / extend the repayment period for the bank dues may be informed.</i></p>	<p><i>Revenue Department</i></p>	<p>As per SLBC decision, SLBC Cell vide letter No. SLBC 35 62 2013 KRA dated 22.02.2013 had written to the Secretary, Revenue Department with copy marked to the Land Revenue Commissioner.</p> <p>In the Sub-Committee meeting of SLBC Kerala on Tertiary Sector Issues held on 27.02.2013, the Assistant Commissioner of Land Revenue requested SLBC Convenor to forward a copy of the letter addressed to Secretary (Revenue) so as to enable him to look into the matter. He assured to provide an early response.</p> <p>The Sub-Committee decided to pursue the matter with Revenue Department./Land Revenue Commissioner</p>

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2.1.2.7	<b>Land Allotment for construction of RSETI Buildings</b>	<i>Land allotment for construction of RSETI buildings is pending in 3 districts viz. Kollam, Kozhikode &amp; Palakkad.</i>	<i>Commissionerate of Rural Development</i>	<p>The 108<sup>th</sup> Meeting of SLBC, Kerala held on 03.01.2013, the representative from Commissione rate of Rural Development informed that land allotment proposal for RSETIs in Kollam and Palakkad Districts had already been submitted to Government of Kerala for approval. In the case of RSETI, Kozhikode new area is to be identified. The land identified earlier stands cancelled and steps are being initiated to locate another area.</p> <p>The forum requested the Department to speed up the process as the Ministry of Rural Development Department had allocated a sum of Rs. 1 crore for setting up of RSETI in every district and the work for construction of the building is to be initiated at the earliest.</p> <p>SLBC Cell through various letters have been following up with the Commissioner for Rural Development.</p> <p>In the Sub-Committee meeting of SLBC Kerala on Tertiary Sector Issues held on 27.02.2013, the Assistant Development Commissioner for Rural Development again informed as follows:</p> <ul style="list-style-type: none"> <li>(i) Kollam District - the land is allotted and Government Order is to be issued.</li> <li>(ii) Palakkad District - land identified at Parali Grama panchayat. Government Order can be issued only on receipt of the resolution from Parali Grama panchayat.</li> <li>(iii) Kozhikode District - land not available.</li> </ul>



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				<p>Direction given to the Programme Director to identify suitable land.</p> <p>The Sub-Committee decided to pursue the matter with Commissionerate of Rural Development.</p> <p>Commissionerate of Rural Development to inform the position in the SLBC meeting.</p>
2.1.2.8	<p><b>Inclusion of banks under Kerala Land Conservancy Act 1957</b></p>	<p><i>The Kerala Land Conservancy Act, 1957 is applicable to Government lands, which was amended by providing for punishment in case of unauthorized occupation by encroachers in Government land. District Collector is empowered to evict them, by way of a summary procedure. This act was made applicable to lands of Kerala State Electricity Board, University, Devaswom Board etc. It was suggested that Public Sector Banks may also be notified as per the Act, so that bank's property in Kerala can be safeguarded from illegal occupants.</i></p>	<p>Revenue Department</p>	<p>In the absence of representative from Revenue Department, the 107<sup>th</sup> &amp; 108<sup>th</sup> Meetings of SLBC, Kerala and also in the Sub-Committee meeting, it was suggested to pursue the matter.</p> <p>In the Sub-Committee meeting of SLBC Kerala on Tertiary Sector Issues held on 27.02.2013, the Assistant Commissioner of Land Revenue requested SLBC Convenor to take up the matter with the Secretary, Revenue Department and endorse a copy to the Commissioner, Land Revenue for looking in to the matter.</p> <p>The Sub-Committee meeting decided to pursue the matter with Revenue Department.</p> <p>SLBC Cell vide letter No. SLBC 35 95 2013 KRA dated 04.03.2013 had written to the Secretary, Revenue Department with copy marked to the Land Revenue Commissioner</p> <p>Revenue Department may apprise the position</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
2.1.2.9	<p align="center"><b>Giving Provision to Controlling offices of banks to monitor status of RR</b></p>	<p align="center"><i>RR filing in the State is now online. The view option/function should be made available to the Controlling offices of banks to enable them to monitor the progress.</i></p>	<p align="center"><i>Revenue Department</i></p>	<p>In the absence of representative from Revenue Department in the earlier SLBC meetings, the forum suggested following up the matter with Revenue Department.</p> <p>In the Sub-Committee meeting of SLBC Kerala on Tertiary Sector Issues held on 27.02.2013, the Assistant Commissioner of Land Revenue informed that at present the matter is dealt by NIC at Malappuram. However, he informed that the matter would be taken up with NIC, Malappuram and expressed hope to sort out the matter at the earliest.</p> <p>SLBC Cell vide letter No. SLBC 35 96 2013 KRA dated 04.03.2013 had written to the Secretary, Revenue Department with copy marked to the Land Revenue Commissioner.</p> <p>Revenue Department may apprise the developments.</p>
2.1.2.10	<p align="center"><b>Objections raised by sub Registrar's Offices on the sale of properties attached by Banks</b></p>	<p align="center"><i>Sub Registrar's Offices have been objecting to the sale of properties by Banks on the plea that subsequent attachment by private individuals exists. Necessary instruction to be given to SROs emphasizing the fact that the Bank's charge overrides all subsequent charges by private individuals.</i></p>	<p align="center"><i>Registration Department</i></p>	<p>In the absence of representative from Revenue Department, the 107<sup>th</sup> &amp; 108<sup>th</sup> Meetings of SLBC, Kerala &amp; the Sub-Committee of SLBC, it was suggested to pursue the matter.</p> <p>In the Sub-Committee meeting of SLBC Kerala on Tertiary Sector Issues held on 27.02.2013, the Joint Inspector General, Registration informed that the matter has to be taken up with Taxes Department for amending the law to this effect.</p> <p>SLBC Cell vide letter No. SLBC 35 97 2013 KRA dated 04.03.2013 had written to the Inspector General,</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p>Registration and copy marked to the Secretary, Taxes Department for effecting necessary amendment.</p> <p>Registration Department may apprise the developments.</p>
2.1.2.11	<p><b>E-Collection of Kerala State Commercial Taxes - Inclusion of major banks in the State in addition to banks handling the same at present</b></p>	<p><i>Proposal to authorize major banks to transact Kerala Government business of e-payment of Commercial Tax – issue relating to accreditation of all major banks in addition to those listed banks as per the existing Government Order.</i></p>	<p><i>Taxes Department</i></p>	<p>The 108<sup>th</sup> Meeting of SLBC, Kerala held on 03.01.2013 observed that the Department has not come out with any decision and hence decided to pursue the matter with Taxes Department, Government of Kerala.</p> <p>In the absence of representative from Taxes Department, the Sub-Committee meeting of SLBC Kerala on Tertiary Sector Issues that met on 27.02.2013 decided to pursue the matter with Taxes Department.</p> <p>SLBC Cell vide letter No. SLBC 35 98 2013 KRA dated 04.03.2013 had again written to the Taxes Department and copy marked to the Principal Secretary, Finance Department.</p> <p>Taxes Department may apprise the position.</p>
2.1.2.12	<p><b>Inclusion of Banks under “Public Utility Service” - under S 22 A of Legal Services Authorities Act - Establishment of Permanent</b></p>	<p><i>As per the Legal Services Authorities Act, 1987 (amendment Act 2002) the jurisdiction of the Permanent Lok Adalath is applicable only to “Public Utility Services” such as –</i></p> <ul style="list-style-type: none"> <li>• <i>Transport service for the carriage of passengers or goods by air, road or water</i></li> <li>• <i>Postal, telegraph or telephone service</i></li> <li>• <i>Supply of power, light, air, water to the public by any establishment</i></li> <li>• <i>System of public conservancy or sanitation</i></li> <li>• <i>Service in hospital or dispensary</i></li> <li>• <i>Insurance service</i></li> </ul>	<p><i>Finance/ Law Department</i></p>	<p>The 108<sup>th</sup> Meeting of SLBC, Kerala held on 03.01.2013 observed that no progress has been made in respect of issuing any notification for including banking service under the purview of the act.</p> <p>In the meeting, the Joint Secretary, Law Department informed that steps in this regard are to be initiated by Finance Department. Hence, the forum decided to pursue the matter with Finance Department, Government of Kerala.</p> <p>In the Sub-Committee meeting of SLBC Kerala on Tertiary Sector Issues held on 27.02.2013, the Joint</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
	<b>Lok Adalath under S 22 B</b>	<ul style="list-style-type: none"> <li>• <i>And includes any service which the Central Government or the State Government, as the case may be, in the public interest, by notification, declares to be a Public Utility Service.</i></li> </ul> <p><i>As per the definition of the Act, Banks do not fall under the purview of “Permanent Lok Adalaths”. However, if Central Government or State Government, in the interest of public declares by notification, the same can be brought under the purview of the Act.</i></p> <p><i>In the larger interest of the public especially the low income group, issuance of a notification to the effect that Banks also fall under “Public Utility Service” for the purpose of the Act.</i></p>		<p>Secretary, Finance Department informed that they have taken up the matter with Law Department and is pending with them. The matter has hence to be followed up with Law Department.</p> <p>The Sub-Committee meeting decided to pursue the matter with Law Department.</p> <p>SLBC Cell vide letter No. SLBC 35 107 2013 KRA dated 04.03.2013 had written to the Law Department.</p> <p>Law Department to inform the present position.</p>
2.1.2.13	<b>Automation of Interface of State Government Treasuries with Banks</b>	<p><i>The Department of Financial Services, Ministry of Finance, Government of India desires that full automation and interface of State Government Treasuries with the banks should be given top priority as it would help the concerned state government and the Banks to implement EBT, funds transfer to beneficiaries and credit of Government grants/ subsidy/funds, quick credits etc.</i></p>	<p><i>Finance Department</i></p>	<p>In the 108<sup>th</sup> Meeting of SLBC, Kerala held on 03.01.2013, the Additional Secretary, Finance Department informed that work in this regard is in progress. The forum requested to present the exact position this being a long pending item and requested to provide a status paper.</p> <p>Vide letter No.247/PLG A2/2012/Fin dated 05.01.2013, the Principal Secretary Finance (Planning A) Department, Government of Kerala informed that “The full automation of interface of State Government Treasuries can be done only after the implementation of networking of treasuries. The procedure for the implementation of networking is in progress. At the same time, Government have asked the Director of Treasuries to inform the</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p>progress made and the difficulties faced by the State Government in the process of full automation of State Government treasuries and automated interface with the concerned banks to furnish a report to Government of India. The report of the Director of Treasures is awaited.”</p> <p>In the Sub-Committee meeting of SLBC Kerala on Tertiary Sector Issues held on 27.02.2013, the Joint Secretary, Finance Department assured to provide a status paper within 10 days.</p> <p>SLBC Cell vide letter No. SLBC 35 99 2013 KRA dated 04.03.2013 had again written to the Principal Secretary, Finance Department.</p> <p>Finance Department to provide the status paper.</p>
2.1.2.14	<p><b>Levying of Service Charges under SARFAESI</b> – Pending since June 2011</p>	<p><i>The Government of Kerala vide GO (MS) No. 39/11/RD dated 20.01.2011 had ordered recovery of service charge @ 7.5% of the amount demanded from the borrower/guarantor under SARFAESI for which action U/S 14 of the Act is initiated. Levying of Service charges under SARFAESI is not covered under the present law. Hence it was suggested to withdraw the Service Charges imposed by the Government for SARFAESI related cases.</i></p>	<p><i>Revenue Department</i></p>	<p>The issue is pending since SLRM held in June 2011 and is being followed up since then.</p> <p>In the Sub-Committee meeting of SLBC Kerala on Tertiary Sector Issues held on 27.02.2013, the Assistant Commissioner of Land Revenue informed that the matter has to be taken up with Government of India for amending the SARFAESI Act. The Sub-Committee requested to issue a clarification in this regard and suggested taking up the matter with the Secretary, Revenue Department with a copy endorsed to the Commissioner, land Revenue also.</p> <p>SLBC Cell vide letter No. SLBC 35 100 2013 KRA dated 04.03.2013 had again written to Secretary,</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p>Revenue Department with copy marked to the Land Revenue Commissioner.</p> <p>Revenue Department to inform the developments.</p>
2.1.2.15	<p><b>Computerization of Land Records</b> – Pending since June 2006</p>	<p><i>To computerise land records in the State of Kerala – This will enable financing banks to make online notings, regarding their lien and help to bring down the transaction cost for getting various certificates from village office.</i></p>	<p><i>Revenue Department</i></p>	<p>The issue is pending since June 2006.</p> <p>In the Sub-Committee meeting of SLBC Kerala on Tertiary Sector Issues held on 27.02.2013, the Assistant Commissioner of Land Revenue informed the following:</p> <ul style="list-style-type: none"> <li>(i) Computerization process was completed in 17 identified villages</li> <li>(ii) By 31.03.2013, the process would be completed in 573 villages in 9 districts</li> <li>(iii) Out of the total 1634 villages, the remaining would be covered by the end of 2014.</li> </ul> <p>The Sub-Committee noted the progress in the computerization work as revealed by the Assistant Commissioner of land Revenue and decided to <b>drop</b> in view of the above plan.</p>
2.1.2.16	<p><b>Creation of a Central Registry titled National Mortgage</b></p>	<p><i>To establish a National Mortgage Repository (NMR) in the State that will function in a similar manner as vehicle registration where hypothecation is marked on the Registration Book of the owner or a Search made in</i></p>	<p><i>Revenue Department</i></p>	<p>The issue is pending since October 2008.</p> <p>In the Sub-Committee meeting of SLBC Kerala on Tertiary Sector Issues held on 27.02.2013, the Assistant Commissioner of land Revenue clarified that once computerization of land records are done that becomes a common database. The requirement</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
	<b>Repository</b> – Pending since October 2008	<p><i>Registrar of Companies Office to ascertain certain details pertaining to companies.</i></p> <p><i>This is aimed at bringing in more transparency and prevention of frauds on property transactions.</i></p>		<p>suggested in the agenda would be complied by them. However, he suggested making a proposal to the Government to provide access to banks in the package so developed. The Sub-Committee suggested taking up the matter with the Secretary, Revenue Department and endorsing a copy to the Commissioner, Land Revenue.</p> <p>SLBC Cell vide letter No. SLBC 35 101 2013 KRA dated 04.03.2013 had again written to Secretary, Revenue Department with copy marked to the Land Revenue Commissioner.</p> <p>Revenue Department to inform the developments.</p>
2.1.2.17	<b>Need for Reduction in Stamp Duty and Registration charges for Registered Memorandum</b> - Pending since December 2007	<p><i>The proposal is aimed at:</i></p> <ol style="list-style-type: none"> <li>1) <i>Enforcing stamp duty on Equitable Mortgages (EM) put forth by banks by putting through “Registered Memorandum” with a maximum nominal monetary ceiling on the stamp duty imposed.</i></li> <li>2) <i>To make registration of Memorandum of Agreement relating to deposit of title deeds mandatory in the State instead of making it optional.</i></li> </ol>	<p><i>Taxes Department</i></p>	<p>The 108<sup>th</sup> Meeting of SLBC, Kerala held on 03.01.2013 noted that the recommendation of SLBC is under active consideration of the Government of Kerala. However, the representative present could not provide the exact position. The forum, hence, decided to pursue the matter with Taxes Department, Government of Kerala.</p> <p>In the absence of representative from Taxes Department in the Sub-Committee meeting of SLBC Kerala held on 27.02.2013 the forum decided to pursue the matter with Taxes Department.</p> <p>SLBC Cell vide letter No. SLBC 35 102 2013 KRA</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p>dated 04.03.2013 had again written to Secretary, Taxes Department.</p> <p>Taxes Department to inform the developments.</p>
2.1.2.18	<p><b>Amendment/ modification in Kerala Registration Rules empowering the SROs to make entry of possession of immovable properties by banks under SARFAESI Act, in Book I</b> - Pending since December 2007</p>	<p><i>To make suitable amendment in the Registration Rules and to empower the SROs to make an entry of possession of immovable properties under SARFAESI Act 2002 also in their Book I, as done in the case of property attachment made by Civil or Revenue courts.</i></p>	<p><i>Registration Department</i></p>	<p>The issue is pending since December 2007.</p> <p>In the 108<sup>th</sup> Meeting of SLBC, Kerala held on 03.01.2013, the representative from Taxes Department informed that the matter is under active consideration of the Government. However, since amendment of Act is involved informed that it may take time.</p> <p>The Sub-Committee meeting of SLBC Kerala on Tertiary Sector Issues that met on 27.02.2013 decided to pursue the matter with Inspector General, Registration.</p> <p>SLBC Cell vide letter No. SLBC 35 103 2013 KRA dated 04.03.2013 had again written to Inspector General, Registration.</p> <p>Registration Department to inform the position.</p>
2.1.2.19	<p><b>Waiver of Stamp duty on SHG loans</b> - Pending since March 2006</p>	<p><i>The proposal was to waive stamp duty on loans availed by Self Help Groups so as to augment credit flow to SHGs</i></p>	<p><i>Taxes Department</i></p>	<p>The issue is pending since March 2006.</p> <p>In the absence of representative from Taxes Department, the Sub-Committee meeting of SLBC Kerala on Tertiary Sector Issues that met on 27.02.2013 decided to pursue the matter with Taxes Department.</p> <p>SLBC Cell vide letter No. SLBC 35 104 2013 KRA dated 04.03.2013 had again written to Taxes</p>



Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p style="text-align: center;">Department.</p> <p style="text-align: center;">The present position may be informed by Taxes Department.</p>

**3. GENERAL ISSUES**

**3.1. FRESH ISSUES**

**3.1.1. TERTIARY SECTOR**

**3.1.1.1. Inclusion of HDFC Bank Ltd a Private Sector Scheduled Commercial Bank(s) U/s 71 of KRR Act & Issue of user ID & password for online Revenue Recovery procedures (Suggested by HDFC Bank Ltd)**

“The HDFC Bank Ltd, being a private sector scheduled commercial Bank is still not included under Section 71 of the Revenue Recovery Act of Kerala, and have not till date received the Login ID and password for the same. The bank is providing credit/finance for the Agricultural operations in the State, but is unable to take legal recourse for effecting recovery under the RR Act, from the default cases.”

*In the Sub-Committee meeting of SLBC Kerala held on 27.02.2013, the Assistant Commissioner of Land Revenue assured to look into the matter. He requested SLBC Convenor to forward a copy of the letter addressed to Secretary (Revenue) on the matter so as to enable him to look into the matter and advise appropriately.*

*The Sub-Committee decided that SLBC may take up the matter with Revenue Department, Government of Kerala.*

*SLBC vide letter No. SLBC 35 93 2013 KRA dated 04.03.2013 had written to the Secretary, Revenue Department, Government of Kerala.*

**3.1.1.2. Education Loan Issues (Suggested by Planning & Economic Affairs (F) Department, Government of Kerala)**

വിദ്യാഭ്യാസ വായ്പയെടുത്ത് തിരിച്ചടവു മുടങ്ങുന്നവരെ CIBIL (Credit Information Bureau India Ltd) റേറ്റിങ്ങിൽ ഉൾപ്പെടുത്തുമെന്ന് ചില ബാങ്കുകൾ ഭീഷണിപ്പെടുത്തുന്നുണ്ട്. ബാങ്കുകളുടെ ഇത്തരം പ്രവണതകളെ നിരുത്സാഹപ്പെടുത്തേണ്ടതും വിദ്യാഭ്യാസ വായ്പയെ CIBIL റേറ്റിങ്ങിൽ നിന്ന് ഒഴിവാക്കേണ്ടതായിട്ടുണ്ട്. വിദ്യാഭ്യാസ വായ്പ അനുവദിക്കുന്നതിന് സേവന മേഖലാ വിഭജനം നിലവിലില്ല. ഇക്കാര്യം ഉൾപ്പെടുത്തി ബാങ്ക് ശാഖകളിൽ പ്രദർശിപ്പിച്ചിരിക്കുന്ന വിദ്യാഭ്യാസ വായ്പ സംബന്ധിച്ച സാങ്കീർണ്ണവിവരങ്ങൾ പരിഷ്കരിക്കേണ്ടതാണ്.

[English Version: Banks threaten that beneficiaries who have availed Education Loan and defaulted would be included in the CIBIL rating. Banks to be dissuaded from such threatening tactics and the beneficiaries may be exempted from being reported under CIBIL rating.

Service Area Concept is not applicable for Education Loan and in the posters on Education Loan displayed in bank branches, necessary amendments may be incorporated.]

*The Sub-Committee of SLBC Kerala that met on 27.02.2013 observed that as per the extant guidelines, defaulter of any loans would be automatically included under CIBIL data. In view of the specific request from Government Department, the Sub-Committee decided placing the matter in SLBC for general comments and decision.*

*As per IBA guideline, Service Area Approach is not prevalent for Education Loan in the State. SLBC Convenor assured the forum that necessary instructions have been issued to Controlling Offices of all banks in this regard. Necessary changes in the posters already supplied pertaining to Education Loan guidelines on Service Area concept need to be effected by banks.*

#### **3.1.1.3. Grading tool for JLGs [Collective farming] (Suggested by Kudumbashree)**

As per the decision taken in the last SLBC, a grading tool developed for JLG (collective farming) had been finalized by Kudumbashree mission. The grading tool has to be discussed in the subcommittee and finalized. It is therefore requested that the decision may be taken to include the Grading tool for JLGs (Collective farming) as an agenda item for the coming subcommittee of SLBC.

*The Sub-Committee meeting of SLBC Kerala that met on 27.02.2013 noted that the grading tool for JLGs evolved by Kudumbashree was vetted by NABARD. Hence it was decided to place the format evolved for approval and adoption in SLBC. The form containing the parameters developed for grading of JLGs is provided in **Annexure -9.45.***

#### **3.1.1.4. Formation of SLBC subcommittee for NHG – Bank linkage and RSETI (Suggested by Kudumbashree)**

As part of the NRLM, Government of India has directed the State Government to form a subcommittee of the SLBC for NHG – Bank linkage activities. Government of India has also directed that a subcommittee be formed to monitor the functioning of RSETI. The same subcommittee may look at both bank linkage and RSETI matters. Therefore it is requested to include the formation of SLBC subcommittee for NHG – Bank linkage and RSETI as an agenda item for the coming subcommittee of SLBC.

*In the Sub-Committee meeting of SLBC Kerala held on 27.02.2013, representative from Kudumbashree informed that as per the direction of Government of India, Government of Kerala is to form a sub-committee of SLBC for NHG-Bank linkage activities and RSETI. This sub-committee would be convened once in a month to review the NHG-Bank linkage activities and RSETI matters.*

*The Sub-Committee of SLBC, Kerala suggested the following as members (RBI, NABARD, SLBC, IOB, Indian Bank, SBT, Union Bank of India, Syndicate Bank with Kudumbashree as Convenor) and place the matter for approval of SLBC.*

### **3.1.1.5. Establishment of Financial Literacy Centres (FLCs) in all blocks of the State**

RBI vide circular RPCD.CO.MFFI.BC.N0.86/12.01.018/2008-09 dated February 4, 2009 had brought out a model scheme with regard to establishment of FLC wherein it was envisaged to set up FLCs at all levels viz. Block, District, Town and City level. Accordingly, banks were expected to initiate setting up of FLCs in all the Blocks.

Kerala has unique status of having established FLC in all the 14 districts by September 2011. The task of establishing FLC at Block level was aimed to be completed by March 2013. Accordingly, LDMS have allotted the blocks to the banks operating in the area for establishing FLCs.

The target allocated bank wise and the actual position of establishing FLC as on 31.12.2012 is furnished in **Annexure-9.41**.

The list of FLCs functioning in the State as on 31.12.2012 is furnished in **Annexure-9.42**.

Activity report of FLCs as at December.2012 is furnished in **Annexure-9.43**.

## 3.2. PENDING ISSUES IN SLBC & ACTION TAKEN REPORT

### 3.2.1. PRIMARY SECTOR

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
3.2.1.1	<b>Non availability of Interest subvention incentive to farmers availing Short Term Crop Loans (KCC) from KSCARDB</b>	<i>KCCs availed through KSCARD Bank at present do not qualify for interest subvention and prompt repayment incentives provided by Government of India, since KSCARD Banks are not authorized to provide Short Term loans.</i>	<i>SLBC / Government of India</i>	<p>The non availability of the facility to ARDBs is due to the reason that they are not in the approved list of institutions authorized to issue ST loans by Government of India and ARDBs are not banks as provided in the BR Act.</p> <p>However, as decided in SLRM 2012, 107<sup>th</sup> &amp; 108<sup>th</sup> SLBC, SLBC Cell had taken up the matter with Government of India and reply in this regard is awaited.</p> <p>The Sub-Committee meeting of SLBC Kerala on Primary Sector Issues that met on 27.02.2013 recommended to pursue the matter with Government of India.</p>
3.2.1.2	<b>Initiatives to compile development schemes implemented through various developmental agencies</b>	<p><i>For the benefit of all financing agencies, the 106<sup>th</sup> meeting of SLBC Kerala suggested compiling all the schemes implemented through various agencies like NABARD/National Horticulture Mission/ National Horticulture Board/SFAC/Agriculture related Departments and different Commodity Boards and release as a hand book. This would be of benefit for the farmers and bankers.</i></p> <p><i>The forum requested NABARD to act as the nodal agency for the compilation work.</i></p>	<i>NABARD</i>	<p>In the 107<sup>th</sup> &amp; 108<sup>th</sup> Meeting of SLBC, Kerala, the representative from NABARD informed that till date they have not received any details from any organization. NABARD had reported to have contacted the departments concerned in this regard. However, the response was not positive.</p> <p>The forum requested NABARD to make one more attempt in this regard and inform the progress.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p>The Sub-Committee meeting of SLBC Kerala on Primary Sector Issues that met on 27.02.2013 requested NABARD to make one more attempt in the matter of compilation of the schemes.</p> <p>The present position on the development may be placed by NABARD.</p>
3.2.1.3	<b>Introduction of a Credit Guarantee Scheme for Agriculture Term Loans similar to CGTMSE</b>	<p><i>In the SLRM 2012, it was suggested that in view of the mounting NPA under Agriculture Term Loans after implementation of ADWDRS, banks were facing serious issues. It was recommended to suggest introduction of a Guarantee Scheme similar to CGTMSE, particularly for Term Loans under Agriculture.</i></p>	<p><i>SLBC / Government of India</i></p>	<p>In response to the recommendation, SLBC Cell had through various letters taken up the matter with the Government of India and their reply is awaited.</p> <p>The Sub-Committee meeting of SLBC Kerala on Primary Sector Issues that met on 27.02.2013 decided to pursue the matter with Government of India.</p>

### 3.2.2. SECONDARY SECTOR

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
3.2.2.1	<b>Weavers Credit Card - Progress in implementation</b>	<p>(i) Huge Number of loan Applications are still kept pending at various bank branches. As at 31.01.2013, out of 13957 loan applications submitted to Banks 9548 applications were still reported pending.</p> <p>(ii) In the 108<sup>th</sup> SLBC Meeting a decision was taken to clear all the applications submitted to banks before 31.01.2013 and to confirm latest position to SLBC.</p> <p>(iii) SLBC had collected the details of loan applications kept pending at various bank branches in the State from handloom Department. The list was forwarded to controlling offices of banks and LDMS with a request to closely monitor the progress &amp; dispose the applications on merit within the time stipulated.</p>	<i>Banks</i>	<p>The Sub-Committee of SLBC, Kerala on Secondary Sector Issues that met on 27.02.2013 suggested the following:</p> <p>(i) Conduct new camps with Banks and NABARD for speedy disposal of the applications.</p> <p>(ii) Directorate of Handloom &amp; Textiles to issue clarification as to whether multiple applications from same family could be considered.</p> <p>(iii) Bank branches to return all pending cases to sponsoring agency mentioning the specific reason for rejection.</p> <p>Controlling Offices of banks to issue necessary instruction in this regard to bank branches under their control.</p> <p>Bank wise performance as on 31.12.2012 is given in <b>Annexure-9.44</b>. Handloom Directorate to inform the latest status.</p>
3.2.2.2	<b>Proposal to introduce penalty for delayed payment of premium for coverage under CGTMSE</b>	<i>As per the existing Rule of CGTMSE the borrowers or applicants have to pay premium amount on policies taken by them within a specified time and the policies will be cancelled by the lending institutions on delayed payments. It was suggested that instead of cancelling the policy it would be advisable to charge penalty for delayed payments of premium and keep the policy in force.</i>	<i>SLBC/ CGTMSE, Mumbai.</i>	<p>SLBC, Kerala had taken up the matter with MSME Development Centre at Mumbai and their response is awaited.</p> <p>The Sub-Committee of SLBC Kerala on Secondary Sector Issues that met on 27.02.2013 decided to pursue the matter with CGTMSE, Mumbai.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
3.2.2.3	<b>Providing loans under KSEDM at base rate by Banks</b>	<i>Hon'ble Finance Minister of the State had requested Banks in Kerala to handhold with State Government in the implementation of KSEDM scheme by granting the loans at base rate.</i>	<i>Banks</i>	<p>The 108<sup>th</sup> Meeting of SLBC, Kerala held on 03.01.2013 requested the member Banks to inform the decision on charging base rate of interest for the loans sponsored under the flagship programme of the State Government – KSEDM.</p> <p>As per the information available with SLBC Cell, only Canara Bank &amp; SBT had offered to lend at base rate.</p> <p>Member Banks to inform the decision on the rate of interest to be charged for the scheme, whether under base rate or otherwise.</p>
3.2.2.4	<b>PMRY 2006–07 &amp; 2007–08 - Non receipt of Subsidy</b>	<i>Subsidy on PMRY loans granted during 2006-07 and 2007-08 are yet to be released to various banks in few accounts. Such borrowers are forced to pay interest on the subsidy portion also till it is received by Banks. Also subsidy portion remaining unpaid are becoming NPA. Due to this customers are penalized as their names would be appearing in the CIBIL defaulters list.</i>	<i>Reserve Bank of India</i>	<p>RBI had vide letter RPCD (T) No.LBS/391/03.02.002/2012-13 dated 07.11.2012 informed that the claims submitted by the 24 implementing banks have been forwarded by RBI, Central Office to KVIC for reimbursement.</p> <p>Further, it is clarified that banks are permitted not to classify PMRY accounts, where the borrowers have repaid their portion of loan in full (only Government subsidy is outstanding), as NPA unless the Government repudiates the claims of banks for release of subsidy. However, PMRY accounts where the borrowers have not paid their portion of loan, classification should be governed by extant classification norms prescribed in the Master Circular - Prudential Norms on Income Recognition, Asset Classification and Provisioning Norms pertaining to Advances.</p>



<b>Sl. No.</b>	<b>Agenda Item</b>	<b>Action Points</b>	<b>Action to be taken by</b>	<b>Present Position/Progress</b>
				SLBC in its earlier meeting had decided to pursue the matter with Reserve Bank of India till logical conclusion.

### 3.2.3. TERTIARY SECTOR

<b>Sl. No.</b>	<b>Agenda Item</b>	<b>Action Points</b>	<b>Action to be taken by</b>	<b>Present Position/Progress</b>
3.2.3.1	<b>Non availability of Government of India Interest Subsidy on Education loans granted by KSCARD Bank</b>	<i>Education Loans granted by KSCARD Bank also to be provided with interest subsidy extended by Government of India.</i>	<i>Government of India</i>	SLBC Cell vide letter No. SLBC 35 105 2013 KRA dated 04.03.2013 had again written to the Deputy Secretary, Ministry of Finance, Government of India. Reply is awaited.

### **3.3. INFORMATION NOTES**

#### **3.3.1. Scheme for Self Employment under Handloom Sector (Suggested by Directorate of Handloom & Textiles)**

This scheme intends to promote new generation Entrepreneurs to set up new production unit outside the Co-operative fold with minimum 10 looms. As per the scheme Margin Money Assistance, training and marketing support being given to the entrepreneur to set up the Handloom manufacturing unit.

The beneficiary should study up to SSLC and have knowledge in Handloom field. Preference will be given to those having 10 years experience in handloom weaving or having Diploma/Degree in Handloom or Textile Technology or those passed the two year Certificate course of IIHT, Kannur.

The applicant should have sufficient infrastructure facilities to set up the unit. Preference will be given to those having own land to set up the unit. If own land is not available, land on lease will be considered subject to condition that, lease period shall not be less than 15 years. Land in DA/DP under District Industries Centre, KINFRA/KSIDC and Land/shed in MIE also be considered.

As per this scheme 40% of fixed capital investment subject to a maximum of Rs. 4,00,000 and 30% of working capital investment subject to maximum of Rs. 1.5 lakh is provided as Margin Money Assistance. Remaining fund will be raised by the applicant by way of Loan from commercial bank/financial institution or own source. The applicant should raise at least 10 % of the project cost as own share.

Application form for assistance under this scheme shall be submitted to the General Manager, District Industries Centre of the concerned district duly filled in with necessary documents and project report.

General Manager, District Industries Centre will recommend the application to the concerned Financing/Institution Bank for sanction. Handloom Inspector of the concerned circle/IEO of Block will be in touch with financing institution and see that the financing bank/Institution is sanctioning & disbursing loan amount in time accordance with the project proposal.

General Manager, District Industries Centre of the concerned district is authorized to sanction the eligible margin money assistance and release the amount directly to the Bank. Margin Money Assistance in respect is fixed capital investment will be released to the financing institution only after the disbursement of first instalment of loan for fixed capital investment and that of working capital investment will be released only after the disbursement of first instalment of working capital loan.

If the entrepreneurs fail to utilize the amount in full or any portion thereof, the entire grant amount proportionate to the unutilized portion of loan amount shall be refunded to

Government account in limp with 12% interest. In case of default the amount will be recoverable as under RR Act.

The Fixed capital acquired with the assistance under this scheme, shall not be transferred sold or alienated for at least 5 years from the date of commencement of the unit, unless with prior permission in writing from the sanctioning authority.

Progress of Implementation as well as functioning of the unit will be periodically inspected by General Manager, District Industries Centre concerned/ADIO of concerned Taluk / Handloom Inspectors of the concerned circle or any officer authorized in this behalf by Director, Handloom & Textiles or General Manager, District Industries Centre of the concerned district.

The Director of Handloom & Textiles shall have power to issue necessary direction and adopt feasible measures in conformity with these rules, so as to avoid hindrances in the submission of application to bank sanction and disbursement of grant amount etc. under this scheme.

**Training:** The beneficiary shall undergo training after sanctioning loan by the bank/financial institution.

Training contains two parts. First part is training on weaving & dyeing. Duration will be 5 working days.

The 2<sup>nd</sup> part is entrepreneurship training. Duration will be 5 working days. Both the training will conducted by IIHT, Kannur. IIHT will be provided Rs. 3500/- per beneficiary to conduct the training. Out of Rs. 3500/- Rs. 2000 will be paid as stipend to the trainees for 10 days. Training fees, Institutional allowance and refreshment shall be met from the remaining Rs. 1500/- by the institution.

**Marketing:** The unit will be given following market assistance for capturing the market for their products.

**Advertisement through Media :** Maximum Rs. 2 lakh will be given for giving advertisement through leading Magazines, weekly, newspapers. Rs. 50,000/- will be given to the unit for advertisement through TV channel. The amount will be given only after the production of proper bills & vouchers.

**Placing Hoarding:** Rs. 50,000 will be given to the amount for placing hoardings in prominent location.

The fund will be given only after the production of proper bill & vouchers.

The Application form for assistance under Self Employment Scheme under Handloom Sector is shown in **Annexure-9.46.**

*The Sub-Committee of SLBC, Kerala on Secondary Sector Issues that met on 27.02.2013 decided to place the scheme before SLBC for information and approval for being implemented in the State.*

### 3.3.2. Review of implementation of REMOT Scheme during XI Plan Period (Suggested by Coir Board)

The Ministry of Micro, Small and Medium Enterprises had approved a Central Sector Scheme of “Rejuvenation, Modernization and Technology Upgradation of Coir Industry (REMOT) for implementation during the XI Plan Period with a total financial outlay of Rs.243 Crores comprising the Government of India grant of Rs.99 crores. The scheme has been implemented in the coir industry for rejuvenating and modernizing the existing coir units in the traditional coir sector by providing them assistance to replace the old, outdated wooden looms with new wooden looms for better productivity and also to create a conducive working environment. The implementation of the Central Sector Scheme of Rejuvenation, Modernization and Technology Upgradation of Coir Industry was commenced from the year 2007-08. The Scheme was designed to provide credit by the Banks for the development of coir industry where the Government support is also extended to the beneficiary for setting up of coir processing units in the major coir producing States of the country. The Scheme envisages covering 4000 spinning units and 3200 tiny household units during the year XI Plan Period. The project cost of spinning unit is Rs.2 lakhs and tiny unit is Rs.5 lakhs per unit. The assistance will be provided 55% by way of Term loan from banks, 40% as subsidy from Government of India and 5% as beneficiary contribution.

The Ministry of Micro, Small and Medium Enterprises had so far released a total amount of Rs.64.06 crores for implementing the REMOT Scheme during XI Plan period as detailed below:

<b>Year</b>	<b>Grant received (Rs. in crores)</b>
2007-08	9.00
2008-09	21.30
2009-10	9.73
2010-11	14.03
2011-12	10.00
<b>Total</b>	<b>64.06</b>

The details of fund released for implementation of REMOT Scheme in the State of Kerala through various Banks during XI Plan period and number of units assisted are furnished below:

Year	Name of Bank	Amount (Rs.in lakhs)	Total (Rs.in lakhs)	No. of units assisted		Total	Units operational ised
				Spinning	Tiny		
2007-08	Canara Bank, Mullackal Alappuzha	342.00	472.00	203	208	411	340
	SBT, Cherthala	130.00					
2008-09	IOB, Alappuzha	412.80	957.20	166	462	628	453
	SBI, Kalavoor Branch	460.40					
	SBT, Kannur - 2	4.80					
	SBT, Cherthala	4.00					
	Central Bank of India, Alappuzha	75.20					
2009-10	Central Bank of India, Alappuzha	24.80	603.03	216	257	473	318
	SBT, Cherthala	93.52					
	Indian Bank, Guruvayoor	0.80					
	Bank of Baroda, Kochi	84.00					
	IOB, Alappuzha	144.56					
	Canara Bank, Mullackal	134.40					
	SBI, Kalavoor	120.95					
2010-11	SBT, Cherthala	34.40	620.44	530	213	743	457
	SBT, Kollengode	1.60					
	SBT, Pattanakkad	98.80					
	SBT, Perumbalam	0.40					
	SBT, Muhamma	30.00					
	SBT, Pathirapally	6.40					
	SBT, Varanad	4.20					
	SBT, Poochakkal	4.80					
	SBT, Purakkad	2.00					
	SBT, Vechoor	0.80					
	SBT, Kuthiyathode	1.60					
	Central Bank of India, Alappuzha	34.74					
	Bank of Baroda, Kochi	11.00					
	Bank of Baroda, Haripad	14.00					
	IOB, Alappuzha	109.90					
	UBI, Alappuzha	78.60					
	UBI, Vaikom	92.20					
	UBI, Kalavoor	24.00					
	UBI, Cherthala	71.00					
	2011-12	Canara Bank, Mullackal					
SBT, Kuthiyathode		0.80					
SBT, Danapady		1.60					
SBT, Karunagapally		1.60					
SBT, Aroor		1.60					
SBT, Nenmara		4.00					
Bank of Baroda, Kochi		2.00					
UBI, Alappuzha		65.10					
<b>TOTAL</b>			<b>2743.37</b>	<b>1137</b>	<b>1226</b>	<b>2363</b>	<b>1568</b>

All the Banks have reported that the amount released to them during the year 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 have been completely utilized, however the beneficiary wise reconciliation statement for the fund utilized have not yet been received by the Board even though Board has requested several times to furnish the same. The Banks may be requested to furnish the beneficiary wise reconciliation statement for the above period.

### **Action Plan for implementation of the Scheme during 2012-13**

The target fixed by the Ministry of MSME, Government of India for implementation of the REMOT Scheme during the current year is Rs.11.94 crores for assisting 350 spinning units and 550 tiny units. The target fixed for Kerala is as follows:

	<b>No. of Spinning units</b>	<b>No. of Tiny/ household units</b>	<b>SC</b>	<b>ST</b>
Kerala	100	150	30	20

### **Review of Implementation of REMOT Scheme during 2012-13**

The 4<sup>th</sup> High Level Apex Committee of the REMOT Scheme held on 20.10.2011 at New Delhi decided that Board has to follow the extant provision of the operational guidelines of the REMOT Scheme and a separate empanelment of machinery manufacturers has to be made for supply of machinery to the beneficiaries of the REMOT Scheme. Accordingly, Board initiated action for empanelment of machinery manufactures by inviting bids through paper notification. After due empanelment process, Coir Board empanelled 39 machinery manufacturers for the supply of 66 machines under REMOT Scheme. The Board accordingly received proposals from the implementing field offices based on empanelment of machinery manufacturers. The proposals received were placed before the 12<sup>th</sup> Evaluation and Steering Committee meeting held on 09.08.2012 for consideration of release of grant to the banks as per the operational guidelines of the scheme.

There was a balance amount of Rs.7.97 crores available with the Board as on 01.04.2012 under REMOT Scheme. Coir Board had requested Ministry to carry forward unspent amount of previous year to the current year. The Ministry permitted Coir Board for utilizing the balance amount during the current year 2012-13. Accordingly, Coir Board has released an amount of Rs.47.00 lakhs to various banks in Kerala for assisting 32 units strictly following the operational guidelines in letter and spirit.

After completion of the initial empanelment process the beneficiaries were requested to submit the quotations from empanelled machinery manufacturers for consideration of the applications, if the earlier quotation is not from the empanelled manufacturer. Therefore about ten months Board was unable to implement the Scheme. Now the implementation has been started from October 2012 onwards. REMOT applications are pending with different banks as detailed below:

Canara Bank, Mullackal	-	321 Nos.
State Bank of India, Kalavoor	-	574 “
SBT, Regional Office, Alappuzha	-	1212 “
Central Bank of India, Alappuzha	-	137 “
Bank of Baroda, Alappuzha	-	257 “
Union Bank of India, Alappuzha	-	362 “
		-----
Total	-	2863 Nos.
		=====

The Banks may be requested to process the REMOT applications pending with them urgently, so that fund released by the Ministry can be utilized and the target achieved.

*In the Sub-Committee of SLBC, Kerala on Secondary Sector Issues held on 27.02.2013 concurred with the requirement suggested by the Coir Board and decided to place the following matters in the SLBC for the information and compliance of participating banks:*

- *The participating banks may furnish the beneficiary wise reconciliation statement to Coir Board for the XI Plan period (from the year 2007-08 to 2011-12).*
- *To take note of the target allocated for the State of Kerala for the year 2012-13.*
- *Banks to process the pending applications under REMOT scheme urgently so that the fund released by Ministry could be utilised and targets achieved.*

### **3.3.3. Establishment of common Call Centre for Urban Financial Inclusion (UFI)**

The Department of Financial Services, Ministry Of Finance, Government of India has vide their letter DO NO 25/9/2012-BO.II dated 21<sup>st</sup> Sept 2012 has instructed all the SLBC convener banks to start a call center with toll free telephone Number, SMS service, email queries facilities to provide for an effective and centralized grievance redressal and facilitation mechanism for opening of Bank accounts of migrant labour and street vendors/hawkers in the urban areas. This facility is required as such people face difficulties in remitting their earnings to their families back home, besides the financial and economic system not being able to generate savings from them.

As per the communication received from Govt. of India, SLBCs of respective states are advised to spearhead the campaign and set up a toll free number, SMS number and dedicated e mail ID to promote the campaign and achieve its objectives. Accordingly for the state of Kerala, the call center was made operational from 19.11.2012 with required infrastructure. The details of call centre are as follows:

**TOLL FREE NUMBER : 1800 425 11222**

**MOBILE NUMBER FOR SMS : 9845762211**

**EMAIL ID : [slbckeralaufi@canarabank.com](mailto:slbckeralaufi@canarabank.com)**

- The call center will function on behalf of all the member banks of SLBC Kerala
- The call center will function between 07.00 Hrs to 21.00 Hrs
- Call agents will inform the procedure for opening Basic Savings Deposit Account.
- Call agents shall guide/direct prospective clients to nearest/allotted bank Branch for opening account
- Call agents will escalate complaints if any to the nodal officers of respective Banks

Member banks are requested to utilize the facilities and give due publicity for the centre as it is established on a cost sharing basis which will be worked out and communicated to the member banks shortly.

The matter was provided as Annexure 9.61 in the background papers of the 108<sup>th</sup> meeting of SLBC, Kerala held on 03.01.2013.



#### 4. Review of Performance under Priority Sector Advances

##### 4.1. Review of Priority Sector Advances (Disbursement) as at December 2012 - ACP 2011-12 achievements (Refer Annexures 9.11 & 9.12)

The performance of banks with reference to the Annual Credit Plan 2012-2013 as at December 2012 with Bank wise and District wise break up is furnished in the annexure. The abstract of the performance as at December 2012 under ACP 2012-2013 is as follows.

(Rs. in Crores)

Bank / Banking Group	Primary Sector			Secondary sector			Tertiary Sector			Total Priority Sector Advances		
	Target	Ach.	% Ach.	Target	Ach.	% Ach.	Target	Ach.	% Ach.	Target	Ach.	% Ach.
State Bank Group	4930	5567	112.91	952	527	55.36	6235	3832	61.46	12117	9926	81.92
Nationalized Banks	8024	9410	117.28	1537	528	34.32	6163	3122	50.65	15724	13060	83.06
RRBs	3047	2517	82.58	181	62	34.18	1705	1329	77.97	4933	3908	79.22
Private Sector Banks	4817	4619	95.90	967	586	60.62	5237	2922	55.80	11021	8127	73.74
Cooperatives	9238	6262	67.79	842	697	82.76	12867	13462	104.62	22947	20421	88.99
KFC	8	0	0	229	119	52.08	145	31	21.16	382	150	39.27
<b>Total</b>	<b>30064</b>	<b>28375</b>	<b>94.38</b>	<b>4708</b>	<b>2519</b>	<b>53.50</b>	<b>32352</b>	<b>24698</b>	<b>76.34</b>	<b>67124</b>	<b>55592</b>	<b>82.82</b>
% to Total Disbursement		<b>51.04</b>			<b>4.53</b>			<b>44.43</b>			<b>100</b>	

##### 4.1.1. Overall Performance under Annual Credit Plan

The banking sector of the State has disbursed **Rs. 55592 crores** to the priority sector during the fiscal 2012-13 as at December 2012. This is **82.82%** of the annual target of **Rs. 67124 crores**. There is an increase of **Rs. 6214 crores** in total disbursements over that achieved during the corresponding period of the last financial year.

Banking group wise analysis reveals that Cooperatives have disbursed the highest quantum of priority sector loans in the State during the fiscal (**Rs. 20421 crores**) followed by Nationalised Banks (**Rs. 13060 crores**). A comparison based on percentage achievement of target reveals that achievements of State Bank group, RRBs and Private Sector Banks were below that of the State's performance. Disbursement to secondary sector constituted only **4.53 %** of the total disbursement made by banks to the priority sector.

Bank wise analysis reveals that Kerala State Co-operative Bank has disbursed the highest quantum of priority sector loans (**Rs. 19672 crores**) followed by State Bank of Travancore (**Rs. 6450 crores**). State Bank of Patiala and Kotak Mahindra Bank have reported "NIL" disbursement to priority sector in the State during the period from 01.04.2012 to 31.12.2012, which needs immediate attention.

Among the Districts, Thrissur district stood first in the quantum of priority sector loan disbursement (**Rs. 7913 crores**) followed by Ernakulam district with a disbursement of **Rs. 5775 crores**. Kannur district stood first in percentage achievement of target (**114.97%**) followed by Trissur (**98.87%**), Palakkad (**88.75%**), Malappuram (**86.29%**) and Kollam (**83.36%**) Five districts had achieved levels above the State's average position. The performance of Trivandrum (**72.54%**), Alappuzha (**67.95%**) and Kottayam (**70.33%**) needs improvement. Pathanamthitta (**63.72%**) district have registered poor performance under ACP achievement and LDM need to identify the field level issues and take immediate steps to reverse the trend in the remaining quarters.

#### **4.1.2. Performance under Primary Sector**

The primary sector, which comprises of the agriculture sector, accounted for **51.04%** of the total disbursements in priority sector. The sector achieved **94.38 %** of the annual target as at December 2012. An amount of **Rs. 28375 crores** was disbursed to the sector as at December 2012 against the year-end target of **Rs. 30064 crores**. Compared to the disbursements during the corresponding period of the previous fiscal, the disbursement to primary sector recorded an increase of **Rs. 3230 crores**.

Nationalized Banks, by disbursing **Rs. 9410 crores**, accounted for more than one-fourth (**33.16 %**) of the total disbursement to the sector followed by Co-operative Sector (**Rs. 6262 crores**). State Bank Group accounted for (**19.62 %**) of the total disbursement to the primary sector of the State by disbursing **Rs. 5567 crores**. Private Sector Banks disbursed **Rs. 4619 crores**.

Among Commercial Banks SBT, Canara Bank, SBI, Federal Bank, Syndicate Bank, SMGB and NMGB are the top performers with regard to quantum of loans disbursed to the sector. The following banks have not reported any disbursement to primary sector in Kerala - State Bank of Bikaner & Jaipur, State Bank of Patiala, Bank of Maharashtra and Kotak Mahindra Bank

Highest disbursement to primary sector was reported in Thrissur district (**Rs. 3928 crores**) followed by Kollam (**Rs. 3419 crores**), Palakkad (**Rs. 2485 crores**), Kannur (**Rs. 2472 crores**) and Ernakulam (**Rs. 2422 crores**) districts.

#### **4.1.3. Performance under Secondary Sector**

Under secondary sector, which includes the SME Sector, the banking sector of the State could achieve only **53.50 %** of the annual target as at December 2012. Banks in the State have disbursed loans to the tune of **Rs. 2519 crores** till December 2012. Another disturbing fact is that the sector accounted for only **4.53 %** of the disbursement to priority sector in the State.

When compared to the disbursements during the corresponding period of the previous fiscal, there is a good increase in disbursements to the sector. Last fiscal during April 2011 to December 2011, the disbursement to the secondary sector was **Rs. 1769 crores** whereas during the same period this year banking sector in the State could disburse **Rs. 2519 crores**, registering a growth of **Rs. 750 crores (42.40 % Growth)** in disbursement.

Co-operative Sector led in disbursements to the sector (**Rs. 697 crores**) followed by Private Sector Banks (**Rs. 586 crores**), Nationalized Bank (**Rs. 528 crores**) and State Bank Group (**Rs. 527 crores**). Kerala State Co-operative Bank led the disbursement in the Secondary sector with a figure of **Rs. 672 crores** followed by State Bank of India (**Rs. 285 crores**), State Bank of Travancore (**Rs. 227 crores**), HDFC Bank (**Rs. 226 crores**), Indian Overseas Bank (**Rs. 199 crores**), South Indian Bank (**Rs. 125 Crores**) and Canara Bank (**Rs. 97 crores**).

Among the districts, highest disbursement to secondary sector was reported in Kollam district (**Rs. 630 crores**) followed by Ernakulam district (**Rs. 450 crores**). Alappuzha recorded the lowest achievement of **17.04 %** followed by Kottayam with **17.24 %** and Malappuram with **22.07%**. These Districts should give more focus to the secondary sector during the remaining part of the financial year. It is concerning to note that performance of ten districts was below the State average.

#### **4.1.4. Performance under Tertiary Sector**

Tertiary sector accounted for **44.43 %** of the total disbursement to the priority sector in the State. The total disbursement to the sector during the fiscal up to December 2012 was **Rs. 24698 crores** thereby achieving **76.34 %** of the annual target. When compared to the disbursements during the corresponding period of the previous fiscal, there is an increase of **Rs. 2234 crores** in the disbursements to the sector. Last fiscal during April 2011 to December 2011, the disbursement to tertiary sector was **Rs. 22464 crores**.

Under quantum of loans disbursed during the current fiscal, Cooperatives lead other banking groups by disbursing **Rs. 13462 crores** and under percentage achievement (**104.62 %**) of the target. State Bank Group, Nationalized Banks and Private Sector Banks need to improve their performance under this sector.

Among Commercial Banks, State Bank of Travancore leads in disbursement to the sector (**Rs. 2541 crores**) followed by State Bank of India (**Rs. 1252 crores**), Federal Bank Ltd (**Rs. 1069 crores**), Canara Bank (**Rs. 927 crores**) and NMGB (**Rs. 905 crores**). State Bank of Patiala and Kotak Mahindra Bank have reported 'NIL' disbursement to the Tertiary sector in the State.

District wise analysis reveals that Palakkad district has achieved **100.92%** of the year-end target followed by Kannur (**90.78 %**), Ernakulam (**85.72 %**), Malappuram (**83.11 %**), and Thrissur (**78.62%**). The performance of eight districts is below the state average and needs considerable improvement.

All banks/LDMs should review their position well in advance and take corrective steps to ensure that the targets for the current year can be achieved comfortably.

Further from the data it seems that **Kotak Mahindra Bank** and **State Bank of Patiala** had not submitted not even a single LBR return, on account of which their performance under Priority Sector disbursement is shown as nil. Forum may take note of this and advice suitable corrective steps.

4.2. **Review of Priority Sector Advances (Outstanding) as at December 2012**  
(Refer Annexure 9.4)

4.2.1. **Performance versus National goals**

(Figures in percentage)

Sl. No.	Parameter	Goal %	March 2009	March 2010	March 2011	Dec. 2011	March 2012	Dec. 2012	Variation	
									Mar.'12 To Dec.'12	Dec.'11 To Dec.'12
1	Priority Sector Advances to Total Credit	40	58.42	60.01	58.32	56.34	57.34	55.48	-1.86	-0.86
2	Agriculture Advances to Total Credit	18	19.27	22.46	22.49	22.75	24.25	25.00	0.75	2.25
3	Weaker Section Advances to Total Credit	10	14.78	16.16	18.39	18.33	19.33	19.98	0.65	1.65
4	DRI Advances to Total Credit	1	0.26	0.02	0.02	0.03	0.02	0.03	0.01	0.00
5	Credit Deposit Ratio	60	63.54	67.63	75.50	74.80	75.57	75.89	0.32	1.09

The achievements of the commercial banking sector of the State under total priority sector advances, Agriculture Advances, Weaker Section advances and CD ratio are above the National goals.

The growth in outstanding advances under sub sectors of priority sector as at December 2012 is summarized as follows.

(Rs. in Crores)

Parameter	Outstanding					Variation				
	March 2010	March 2011	Dec. 2011	March 2012	Dec. 2012	Mar '10-Mar '11	Mar '11-Dec '11	Mar '11-Mar '12	Mar '12-Dec '12	Dec '11-Dec '12
Priority Sector Advances	58204	71145	78510	85606	92844	12941	7365	14461	7238	14334
Agriculture Advances	21786	27439	31699	36209	41842	5653	4260	8770	5633	10143
SSI Advances/SME	11759	16896	18729	20593	21705	5137	1833	3697	1112	2976
Weaker Section Advances	15674	22435	25549	28865	33435	6761	3114	6430	4570	7886
SC Advances	3359	3011	2978	2957	3108	-348	-33	-54	151	130
ST Advances	300	553	845	606	670	253	292	53	64	-175
DRI Advances	22.61	24.76	35	33.98	44.47	2.15	10.24	9.22	10.49	9.47

#### 4.2.1.1. Performance of the Banking sector inclusive of Co-operatives (excluding PACs) as at December 2012

The performance of the banking sector inclusive of Co-operatives is summarized as follows:

##### Performance of Co-operative Sector under Vital Banking Statistics (Amount Outstanding)

(Rs in. Crores)

Parameter	December 2012		Share of Co-operatives to Total
	Co-operative Sector	Commercial Banks + Co-operatives	
Branches	885	6025	14.69
Total Deposits	29174	249663	11.69
Total Advances	25865	193198	13.39
Total Business	55039	442861	12.43
Priority Sector Advances	15567	108411	14.36
% Priority Sector Advances	60.19	56.11	NA
Agriculture Advances	3556	45397	7.83
% Agriculture Advances	13.75	23.50	NA
SME Advances	850	22556	3.77
CD Ratio	<b>88.66</b>	<b>77.38</b>	NA

Including the Co-operative sector the total Banking business in the State is **Rs.442861 crores**. The Co-operative sector account for **12.43%** of the banking business in the State (**Rs. 55039 crores**). The CD ratio of the State including Co-operatives have recorded a figure of **77.38%** as at December 2012 against **75.89%** recorded for commercial banks.

#### 4.2.2. Priority Sector Advances in Total Advances – Bank Group wise (Refer Annexure 9.4)

(Rs. in Crores)

Parameter	Outstanding					Variation			
	Mar. 2010	Mar. 2011	Dec. 2011	Mar. 2012	Dec. 2012	Mar. '10-Mar. '11	Mar. '11-Dec. '11	Mar. '12-Dec. '12	Dec.'11-Dec.'12
Priority Sector Advances	58204	71145	78510	85606	92844	12941	7365	7238	14334

During the financial year, April 2012–December 2012, a growth of **Rs. 7238 crores** was recorded by the Commercial Banks in the State under priority sector outstanding.

During the third quarter of the fiscal 2012-13 Priority Sector Advances of Commercial banks in the State increased by **Rs. 7238 crores** as against **Rs. 7365 crores** added during the corresponding period of last fiscal. A year-on-year analysis reveals that there was a growth of **Rs. 14334 crores** in priority sector advances over December 2011, recording a growth of **18.26%**.

Against the mandatory norm of 40% under priority sector advances, as at December 2012, **55.48%** of the total advances of the banks in the State was to priority sector.

**Banking Group wise Performance under  
Priority Sector Advances as at December 2012**

(Rs. in Crores)

BANK	Total Advances			Priority Sector Advances			% PSA to Total Adv. (Dec.'12)
	March 2012	December 2012	Growth Mar.'12-Dec.'12	March 2012	December 2012	Growth Mar.'12-Dec.'12	
<b>State Bank Group</b>	45961	53279	7318	29219	30582	1363	57.40
<b>Nationalized Banks</b>	52925	57202	4277	33593	36350	2757	63.55
<b>RRBs</b>	6193	7024	831	5252	6120	868	87.12
<b>Private Sector Banks</b>	44214	49828	5614	17542	19792	2250	39.72
<b>Grand Total</b>	<b>149293</b>	<b>167333</b>	<b>18040</b>	<b>85606</b>	<b>92844</b>	<b>7238</b>	<b>55.48</b>

During the third quarter of the financial year of 2012-13, highest addition to the outstanding Priority Sector advances of the State is made by Nationalized Banks (**Rs. 2757 crores**) followed by Private Sector Banks (**Rs. 2250 crores**), the State Bank Group (**Rs. 1363 crores**) and Regional Rural Banks (**Rs. 868 crores**). Regional Rural Banks have **87.12 %**, Nationalised Banks have **63.55 %**, State Bank Group have **57.40%** and Private Sector Banks have **39.72 %** of their total advances under Priority sector. All bank groups have recorded performance levels at par or above the benchmark of **40%**.

The entire advance of KSCARDB has been classified as Priority sector advances.

4.2.3. **Agriculture Advances** (Refer Annexure 9.5)

(Rs. in Crores)

Parameter	Outstanding				Variation			
	Mar. 2011	Dec. 2011	Mar. 2012	Dec. 2012	Mar. '11-Dec. '11	Mar. '11-Mar. '12	Mar. '12-Dec. '12	Dec. '11-Dec. '12
<b>Agriculture Advances</b>	27439	31699	36208	41842	4260	8770	5634	10143

The outstanding advances to agriculture sector in the State have increased by **Rs. 5634 crores** during the first three quarters of the current fiscal. The outstanding agriculture advances stood at **Rs. 41842 crores** as at December 2012, which is **25 %** of the total advances outstanding in the State. The percentage of Agriculture Advances to total advances has increased from a level of **22.75 %** as at December 2011 to **25.00 %** as at December 2012, and is much above the mandatory norm of **18%** fixed by RBI.

Year-on-year there was an increase of **Rs. 10143 crores** in agriculture advances outstanding recording a impressive growth rate of **32%**.

**Banking Group Wise Performance Under  
Agriculture Advances as at December 2012**

(Rs. in Crores)

BANK	Total Advances			Agriculture Advances			% Agri. Adv to Total Adv. (Dec. '12)
	March 2012	December 2012	Growth Mar.'12-Dec.'12	March 2012	December 2012	Growth Mar.'12-Dec.'12	
<b>State Bank Group</b>	45961	53279	7318	11075	11863	788	22.27
<b>Nationalized Banks</b>	52925	57202	4277	14843	18550	3707	32.43
<b>RRBs</b>	6193	7024	831	2849	3430	581	48.83
<b>Private Sector Banks</b>	44214	49828	5614	7441	7999	558	16.05
<b>Grand Total</b>	<b>149293</b>	<b>167333</b>	<b>18040</b>	<b>36208</b>	<b>41842</b>	<b>5634</b>	<b>25.00</b>

Nationalized Banks has contributed the highest quantum growth in agriculture advances outstanding (**Rs. 3707 crores**) followed by State Bank group (**Rs. 788 crores**). RRBs has shown an addition of **Rs. 581 crores** and Private Sector Banks had shown a growth of **Rs. 558 crores**.

**48.83 %** of the advances outstanding with RRBs in the State were to agriculture sector. For private Sector Banks the outstanding under agriculture in terms of percentage of agriculture advances to total advances is only **16.05 %** and is below the benchmark of 18% fixed by RBI.

The following Public Sector apart from both the RRBs had crossed the mandatory norm of 18% under agriculture advances. – State Bank of Travancore, State Bank of India, Bank of Baroda, Bank of India, Canara Bank, Indian bank, Indian Overseas Bank, Union Bank of India, Central Bank of India, Corporation Bank, UCO Bank, Syndicate Bank, Vijaya Bank, United Bank of India. Federal Bank, Dhanlaxmi Bank and HDFC Bank are the only Private sector Banks having Agriculture advances more than 18% of their total credit.

The performance of the Private Sector Banks needs to improve further.

As far as KSCARDB is concerned, **22.78%** of their advances was to Agriculture sector.

#### 4.2.4. SME Advances (Priority) (Refer Annexures 9.6 & 9.29)

Micro and Small Enterprises advances only forms the priority credit part of SME advances.  
(Rs. in Crores)

Parameter	Outstanding				Variation			
	Mar. 2011	Dec. 2011	Mar. 2012	Dec. 2012	Mar. '11-Dec. '11	Mar. '11-Mar. '12	Mar. '12-Dec. '12	Dec. '11-Dec. '12
<b>SME Advances</b>	16896	18729	20593	21705	1833	3697	1112	2976

As per the data, the performance of banks in the State is as follows:

(Rs. in Crores)

Banking Group	SME Outstanding (Priority)											
	March 2012						December 2012					
	Micro Enterprises		Small Enterprise		Retail Trade		Micro Enterprises		Small Enterprise		Retail Trade	
	No.	Amt	No.	Amt	No.	Amt	No.	Amt	No.	Amt	No.	Amt
State Bank Group	25365	1686	123005	2039	58934	772	26810	1950	73579	2322	41288	693
Nationalized Banks	151423	2822	39266	3503	55917	2922	182774	3189	30573	3837	51231	1042
RRBs	74339	468	793	48	117156	706	67075	494	725	49	134800	833
Private Sector Banks	54550	2297	35234	3056	14214	273	57624	3114	30970	3334	18098	848
<b>Grand total</b>	<b>305677</b>	<b>7273</b>	<b>198298</b>	<b>8646</b>	<b>246221</b>	<b>4673</b>	<b>334283</b>	<b>8747</b>	<b>135847</b>	<b>9542</b>	<b>245417</b>	<b>3416</b>

#### 4.2.5. Advances to Weaker Section (Refer Annexure 9.9)

(Rs. in Crores)

Parameter	Outstanding				Variation			
	Mar. 2011	Dec. 2011	Mar. 2012	Dec. 2012	Mar. '11- Dec. '11	Mar. '11- Mar. '12	Mar. '12- Dec. '12	Dec. '11- Dec. '12
Weaker Section Advances	22435	25549	28865	33435	3114	6430	4570	7886

There is a growth of **Rs. 4570 crores** in Weaker Section advances by during the first three quarters of the fiscal. Year-on Year increase as at December 2012 was **Rs. 7886 crores (30.87%)**.

#### 4.2.6. Advances to SC/STs (Refer Annexure 9.9)

(Rs. in Crores)

Parameter	Outstanding				Variation			
	Mar. 2011	Dec. 2011	Mar. 2012	Dec. 2012	Mar. '11- Dec. '11	Mar. '11- Mar. '12	Mar. '12- Dec. '12	Dec. '11- Dec. '12
SC Advances	3011	2978	2957	3108	-33	-54	151	130
ST Advances	553	845	606	670	292	53	64	-175
<b>Total SC/ST Advances</b>	<b>3564</b>	<b>3823</b>	<b>3563</b>	<b>3778</b>	<b>259</b>	<b>-1</b>	<b>215</b>	<b>-45</b>

From the above table it is evident that the total SC/ST advances of the State had shown an increase of **Rs. 215 crores** from March 2012. ST advances had shown an increase of **Rs. 64 crores** and SC advances had shown increase of **Rs. 151 crores** from the March 2012 level. But year on year growth from December 2011 to December 2012 under SC/ST advances shows an decline of **Rs. 45 crores**



As evident from the table below, almost **95.27 %** of the SC advances of the State is contributed by Public Sector Banks (including RRBs), while the share of Private Sector Banks is just about **4.73 %**. In the case of ST advances **98.21 %** advances is contributed by Public Sector Banks (including RRBs) while the share of Private Sector Banks is just about **1.79 %**.

**Banking Group wise Performance under SC/ST advances  
as at December 2012**

(Rs. in Crores)

BANK	SC Advances			ST Advances		
	Outstanding		% O/S to total	Outstanding		% O/S to total
	No.	Amount		No.	Amount	
<b>State Bank Group</b>	110808	2027	65.22	35058	522	77.91
<b>Nationalized Banks</b>	106039	862	27.73	16643	125	18.66
<b>RRBs</b>	26008	72	2.32	4095	11	1.64
<b>Private Sector Banks</b>	10381	147	4.73	1321	12	1.79
<b>Grand Total</b>	<b>253236</b>	<b>3108</b>	<b>100</b>	<b>57117</b>	<b>670</b>	<b>100</b>

All banks, especially Private Sector Banks, should give more attention for rendering assistance to these most vulnerable sections of the society. The National Commission for SC has suggested that all banks should provide separate data on SC & ST advances especially under the Government sponsored schemes, to review the position and to improve lending to SC & ST sections.

4.2.7. **DRI Advances** (Refer Annexure 9.10)

(Rs. in Crores)

Parameter	Outstanding				Variation			
	Mar. 2011	Dec. 2011	Mar. 2012	Dec. 2012	Mar. '11- Dec. '11	Mar. '11- Mar. '12	Mar. '12- Dec. '12	Dec. '11- Dec. '12
<b>DRI Advances</b>	24.76	35	33.98	44.47	10.24	9.22	10.49	9.47

Against the national goal of 1% of the previous year's Gross Bank Credit, only **0.03 %** of the total credit could be given under the DRI scheme in the State by Commercial banks as at December 2012.

The table below reveals that, Public Sector Banks account for bulk of the DRI advances (**89.77 %**) in the State whereas private sector banks contribute only **10.23 %** of the DRI advances of the State.

**Banking Group wise Performance under DRI advances  
as at December 2012**

(Rs in lakhs)

BANK	DRI Advances	
	O/S	% to total
State Bank Group	444	9.98
Nationalized Banks	3472	78.08
Private Sector Banks	455	10.23
RRBs	76	1.71
Grand Total	4447	100

## 5. Review of Performance under Special Focus Programmes

### 5.1. Swarozgar Credit Card Scheme (Refer Annexure 9.21)

The data submitted by the Controlling offices of banks reveals that commercial banks in the State have sanctioned **1603 Swarozgar** Credit Cards (SCCs) during the third quarter of the fiscal 2012-13. The limits sanctioned to the tune of **Rs. 5.78 crores**. Since inception of the scheme the banks have sanctioned **69974** cards in the State amounting to **Rs. 148.60 crores**. The amount outstanding as at December 2012 is **Rs. 57.75 crores** in **22634 cards**. During the quarter SMGB leads the performance by sanctioning maximum number of cards followed by NMGB. The Bank wise data is furnished in the annexure.

### 5.2. Artisans Credit Card Scheme (Refer Annexure 9.21)

Commercial banks in the State have sanctioned only **23** Artisans Credit Cards (ACCs) during the quarter ending December 2012. The total limits sanctioned are to the tune of **Rs. 9.59 lakhs**. Since inception of the scheme, the banks have sanctioned **3752** cards in the State with a limit amounting to **Rs. 24.69 crores**. The amount outstanding as at December 2012 is **Rs. 5.18 crores** in **714** cards.

Canara Bank leads among the commercial banks in the State by issuing the highest number of cards. Barring Canara Bank, PNB & Union Bank no other Bank has sanctioned loans under the scheme during the quarter. The Bank wise data is furnished in the annexure.

### 5.3. Laghu Udhyaami Credit Cards (Refer Annexure 9.21)

Commercial banks in the State have sanctioned only **71** Laghu Udhyaami Credit Cards (LUCC) during the third quarter of the fiscal 2012-13 making available credit limits to the tune of **Rs. 2.72 crores** to small entrepreneurs of the State. Since inception of the scheme, the banks have sanctioned **18685** LUCCs in the State sanctioning credit limits amounting to **Rs. 355.51 crores**. The amount outstanding as at December 2012 is **Rs. 64.59 crores** in **2679** cards. Corporation Bank leads in the State by issuing highest number of LUC Cards during the third quarter followed by Canara Bank and State Bank of Travancore.

Performance of Private sector banks under SCC, ACC &LUCC is not impressive and needs lot of improvement. The Bank wise data is furnished in the annexure.

#### 5.4. Performance under General Credit Card Scheme (Refer Annexure 9.22)

During the quarter under review (July-December 2012), banks in the State have sanctioned **8213** GCCs with limits amounting to **Rs. 18.37 crores**. The outstanding under GCCs as at December 2012 is **111144** cards with a liability of **Rs. 211.68 crores**.

Canara Bank leads in issuance of GCC with **3647** GCCs issued during the quarter and with an amount of **Rs. 8.22 crores**. This is followed by SMGB with **2456** cards, NMGB with **1361** cards, Federal Bank **129** cards, Syndicate Bank **120** cards, Punjab National Bank **118** cards and HDFC with **104** cards. **60 %** of the total GCC outstanding in the State was accounted by Canara Bank. The performance of State Bank group and Private sector banks need considerable improvement. The Bank wise data is furnished in the annexure.

#### 5.5. Performance under Kisan Credit Card Scheme (Refer Annexure 9.16)

As per the reports available with the Convenor SLBC, **90457** Kisan Credit Cards with an amount of **Rs. 1278 crores** have been issued during the third quarter of the current fiscal by the Banking sector in the State. **3308524** KCCs were issued since inception involving a credit outlay of **Rs. 19652 crores**. As at December 2012, the outstanding number of loan accounts under KCC is **1869430** with **Rs. 9057 crores**. **785221** farmers were covered under Personal Accident Insurance Scheme (PAIS) linked to KCC. Bank wise data is given in the annexure.

#### 5.6. Agri-Clinics and Agri Business Centres (Refer Annexure 9.15)

The outstanding accounts under Agri clinics in the State by Commercial Banks are **8** with a credit outlay of **Rs. 28.71 lakhs**.

There were **468** Agri-Business Centres opened in the State from the date of inception of the scheme with a credit outlay of **Rs. 30.65 lakhs**. As at December 2012, **248** Agri-Business centres loans exist with an outstanding amount of **Rs. 546.68 lakhs**.

#### 5.7. Credit Flow to Minority Communities (Refer Annexures 9.28)

As per RBI directions, credit flow to minorities in specified districts should be reviewed in all SLBC meetings. At present all the districts in the State of Kerala are notified for reporting under this head. In Kerala State without giving due share to minorities, credit expansion is not at all possible. The comparative position with regard to the previous year is given below. The data reveal that there is significant increase in amount of loans granted to minorities in all these districts. It can be seen from the table given below that **55.43 %** of the total Priority sector advances has gone to the minority communities as at December 2012.

#### Data on Minority Sector Advances in the State of Kerala

(Rs. in Crores)

Year	Total Priority Sector Advances	Minority Sector Advances	Percentage
31.03.2009	50217	26070	51.91

31.03.2010	58204	38532	66.20
31.03.2011	71145	41245	57.98
30.06.2011	70071	41054	58.59
30.09.2011	77403	39913	51.57
31.12.2011	78510	44811	57.08
31.03.2012	85606	46247	54.02
30.06.2012	87751	52877	60.26
30.09.2012	91253	48177	52.79
31.12.2012	92844	51466	55.43

#### 5.8. Performance under Micro-credit (Annexures 9.17 to 9.20)

SLBC had compiled the data obtained from all banks regarding the cumulative performance of banks in the State as at December 2012. The bank-wise performance is given as annexures.

On a review of the performance, it is seen that about **465742** SHGs are maintaining savings account with commercial banks as at December 2012 in the State.

The banking group-wise data is as follows.

(Rs in. Crores)

Banking Group	SHGs maintaining Savings a/c		Of which No. of SHGs under	
	No.	Amt.	Government Sponsored	Exclusive Women
<b>State Bank Group</b>	326545	201.10	123528	297872
<b>Nationalized Banks</b>	61200	2782.88	18511	42823
<b>RRBs</b>	45357	13.76	14489	38643
<b>Private Sector Banks</b>	32640	165.19	2820	27880
<b>Total - Kerala State</b>	<b>465742</b>	<b>3162.93</b>	<b>159348</b>	<b>407218</b>

As evident from the above **87.43 %** of the SHGs are exclusive women SHGs and **34.21 %** are formed under various Government sponsored schemes.

There are 3 modes for credit linkage of SHGs under the SHG-Bank linkage programme. Credit linkage through

1. Financing SHGs directly by banks
2. Financing SHGs directly with the facilitation of NGOs
3. Financing SHGs through the medium of NGOs

The performance of the banking sector in the State under the above 3 modes of linkage is as follows.

(Rs. in Crores)

Mode of Linkage	SHGs formed during the Quarter	No of SHG loans Disbursed During the Quarter		Outstanding Amount under SHG Finance		Beneficiaries Assisted
		A/c	Amt	A/c	Amt	
Financing SHGs directly by banks	6482	6517	440.86	79879	2473.89	709461
Financing SHGs directly with the facilitation of NGOs	1287	1460	31.06	16019	187.00	169109
Financing SHGs through the medium of NGOs	--	165	21.79	2762	168.34	325594
<b>Total No. of SHGs linked</b>	<b>7769</b>	<b>8142</b>	<b>493.71</b>	<b>98660</b>	<b>2829.23</b>	<b>1204164</b>

As could be seen from the above table, **8142** SHGs have been credit linked in the State during the third quarter of the fiscal under the SHG-Bank linkage programme. The total amount outstanding under all the three modes of financing put together is **Rs. 2829.23 crores**.

#### 5.9. Small and Medium Enterprises (SME) Advances (Refer Annexures 9.6 & 9.29)

Consequent on the promulgation of MSMED Act, 2006 the advances classified under MSE comes under priority (Micro & Small Enterprises) as well as Non-Priority (Medium Enterprises). The total advances under SME priority as on December 2012 come to **Rs. 21705 crores** for the commercial banks in the State. Out of this, Micro and Small Enterprises constitute **Rs. 10213 crores** and **Rs. 11492crores** respectively for Commercial banks, which forms part of Priority Credit. The non-priority part of SME credit component that includes Medium Enterprises has shown an outstanding level of **Rs. 7583 crores** covering **7735** loan accounts with commercial banks. The bank wise details are given in the annexure.

#### 5.10. Compliance on recommendations of the Prime Minister's Task Force on MSE advances

The major recommendations of the task force are given below:

- Achieve a 20% year-on-year growth in credit to micro and small enterprises to ensure enhanced credit flow.
- The allocation of 60% of the MSE advances to the micro enterprises to be achieved in stages; viz. 50% in the year 2010-11; 55% in the year 2011-12 & 60% in the year 2012-13; and
- Achieve a 10% annual growth in number of micro enterprise accounts.

Performance of the State under above parameters is as follows:

Sl. No.	Parameter	December 2011	December 2012	Increase	% Increase	Target
1	No of Loan accounts under	465211	503863	38652	8.31	10 %

	Micro Enterprise					
2	Credit under Micro and Small Enterprise (Rs.in Crores)	18729	21705	2976	15.89	20 %
3	Share of Micro Enterprise to total MSE Credit (%)	44.34	47.06	2.72		60 %

State is lagging behind in all the three parameters stipulated by PM's Taskforce committee.

In the matter of outstanding credit to Micro and Small Enterprise, state could not achieve the target and could only post a growth rate of **15.89 %** against the mandated 20%. In the case of growth in number of loan accounts under Micro Enterprise, the State could achieve **8.31 %** against the target of 10%. The share of Micro Enterprise only accounted for **47.06 %** against the mandated level of 60% as at March 2013.

5.11. **Performance of other Institutions under SME financing (Outstanding) as at December 2012**

(Rs.in Crores)

	Micro Enterprises				Small Enterprises				Total SME Priority				Medium Enterprises			
	Manufacturing		Services		Manufacturing		Services		Manufacturing		Services		Manufacturing		Services	
	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.
KSIDC	0	0	0	0	76	72.90	14	14.69	76	72.90	14	14.69	20	67.84	19	69.53
KFC	900	246.71	671	173.71	73	36.59	32	37.75	973	283.30	703	211.46	1	12.45	0	0
SIDBI	0	0	0	0	178	103.93	15	11.02	178	103.93	15	11.02	0	0	0	0
<b>TOTAL</b>	<b>900</b>	<b>246.71</b>	<b>671</b>	<b>173.71</b>	<b>327</b>	<b>213.42</b>	<b>61</b>	<b>63.46</b>	<b>1227</b>	<b>460.13</b>	<b>732</b>	<b>237.17</b>	<b>21</b>	<b>80.29</b>	<b>19</b>	<b>69.53</b>

Total SME Priority outstanding in these three financial institutions as at December 2012 works out to an amount of **Rs 697.30 crores** in **1959** loan accounts. Including medium enterprises financed (Non Priority) the total outstanding as at December 2012 is to the tune of **Rs. 847.12 crores**.

5.12. **Performance of other Institutions under SME financing (Disbursement) as at December 2012**

(Rs.in Crores)

	Micro Enterprises				Small Enterprises				Total SME Priority				Medium Enterprises			
	Manufacturing		Services		Manufacturing		Services		Manufacturing		Services		Manufacturing		Services	
	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.
KSIDC	0	0	0	0	14	14.89	3	5.79	14	14.89	3	5.79	5	8.67	5	16.83
KFC	111	47.15	115	44.39	12	7.91	3	4.87	123	55.06	118	49.26	0	0	0	0
SIDBI	0	0	0	0	15	145.29	3	4.22	15	145.29	3	4.22	0	0	0	0
<b>TOTAL</b>	<b>111</b>	<b>47.15</b>	<b>115</b>	<b>44.39</b>	<b>41</b>	<b>168.09</b>	<b>9</b>	<b>14.88</b>	<b>152</b>	<b>215.24</b>	<b>124</b>	<b>59.27</b>	<b>5</b>	<b>8.67</b>	<b>5</b>	<b>16.83</b>

Total SME Priority disbursement through these three financial institutions as at December 2012 works out to an amount of **Rs. 274.51 crores** in **276** loan accounts. Including medium enterprises financed (Non Priority) the total disbursement for the third quarter of current fiscal is to the tune of **Rs. 300.01 crores**.

5.13. **Coverage under CGMSE scheme from Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)**

On a review of the performance, it is seen that during the third quarter of the financial year 2012-13 banks in Kerala sanctioned an amount of **Rs. 174.67 crores** (5974 proposals) under CGTMSE coverage. Bank-wise analysis reveals that State Bank of Travancore has sanctioned highest quantum of loans (**Rs. 38.97 crores**) followed by Indian Overseas Bank (**Rs. 24.83 crores**). District-wise analysis reveals that Ernakulam District has sanctioned the highest quantum of loans (**Rs. 29 crores**) followed by Trivandrum District (**Rs. 25.12 crores**). Trivandrum (**1047 accounts**) ranks first in the number of loan accounts covered during the third quarter of the financial year followed by Malappuram (**712**). Bank-wise/District-wise details are shown as **Annexures-9.34 & 9.35**.

**6. Review of Performance under Government Sponsored Schemes**

6.1. **Swarnajayanthi Gram Swarozgar Yojana (SGSY) - Performance as at December 2012** (Refer Annexures 9.13 & 9.14)

No target is given for SGSY for the financial year 2012-13 as the scheme is getting converted as NRLM. However the left over funds under SGSY is being utilized in the current financial year and the scheme is implemented at present only in three Districts viz. Kollam, Idukki, Malappuram & Kannur. Banking group wise analysis based on data from these three Districts is given below. Out of the **280** loan applications forwarded to Banks, **99** loans are sanctioned involving a loan amount of **Rs.176.47** lakhs. **181** loan applications are pending with banks. Banks are requested to clear the pending loan applications immediately on merits.

**SGSY – Performance as at January 2013**

(Rs. in lakhs)

Sl. No	Banking Group	Total SGSY						Applications Pending
		Forwarded		Sanctioned		Disbursed		
		No.	Amount	No.	Amount	No.	Amount	
1	State Bank Group	24	40.40	11	29.45	11	29.45	13
2	Nationalized Banks	121	246.23	29	64.87	29	64.87	92
3	Private Sector Banks	31	54.96	9	8.15	9	8.15	22
4	RRBs	17	22.07	7	6.92	7	6.92	10
5	Co-operative Banks	87	115.41	43	67.08	39	65.88	44
	<b>State Total</b>	<b>280</b>	<b>479.07</b>	<b>99</b>	<b>176.47</b>	<b>95</b>	<b>175.27</b>	<b>181</b>

**7. Review of Performance of the Banking Sector**

7.1. **Banking Statistics as at December 2012** (Refer Annexure 9.1 to 9.3)

The detailed banking statistics for the State as at December 2012 is furnished in the Annexure. A comparative analysis of the data over the previous fiscals is presented below.

(Rs. in Crores)

Parameter	Outstanding					Variation				
	March 2011	Dec. 2011	March 2012	Sept. 2012	Dec. 2012	Mar. '11- Dec. '11	Mar.'11- Mar.'12	Mar.'12- Sept.'12	Mar.'12- Dec.'12	Dec. '11- Dec.'12
<b>No. of Branches</b>	4573	4740	4911	5048	5140	167	338	137	229	400
<b>Total Deposits</b>	161562	186285	197557	213518	220489	24723	35995	15961	22932	34204
<b>Domestic Deposits</b>	123872	140348	149103	155368	157781	16476	25231	6265	8678	17433
<b>NR Deposits</b>	37690	45937	48454	58150	62708	8247	10764	9696	14254	16771
<b>Total Advances</b>	121980	139347	149293	158836	167333	17367	27313	9543	18040	27986
<b>Investments</b>	5226	8910	5033	5275	5444	3684	-193	242	411	-3466
<b>Adv. + Investment</b>	127429	148257	154204	164111	172777	20828	26775	9907	18573	24520
<b>C: D Ratio</b>	75.50	74.80	75.57	74.39	75.89	-0.70	0.07	-1.18	0.32	1.09
<b>C+I: D Ratio</b>	78.87	79.59	78.06	76.86	78.36	0.72	-0.81	-1.20	0.3	-1.23

## 7.2. Branch Network

As at the end of December 2012, the total number of branches of Commercial Banks in the State was **5140**

The population group wise break up of the branch network is presented below.

Banking Group	Number of Branches				Percentage distribution			
	Rural	S. Urban	Urban	Total	Rural	S. Urban	Urban	Total
<b>Public Sector Banks</b>	219	2377	777	<b>3373</b>	4.26	46.25	15.12	<b>65.62</b>
<b>Private Sector Banks</b>	235	1167	365	<b>1767</b>	4.57	22.70	7.10	<b>34.38</b>
<b>Total</b>	<b>454</b>	<b>3544</b>	<b>1142</b>	<b>5140</b>	<b>8.83</b>	<b>68.95</b>	<b>22.22</b>	<b>100</b>

Of the total Commercial banks in the State, Public sector Banks account for **65.62 %** of the branch network in the State. Of the total branch network of Commercial banks in the State, only **8.83 %** is in rural areas whereas Semi-urban areas have **68.95 %** of the bank branches in the State. Urban branches constitute **22.22%** of branch network.

On a comparison with March 2012 position, it is found that Public sector banks have increased their tally of branches by **140** branches whereas that of Private Sector Banks increased by **89** branches.

## 7.3. Deposit growth

During the first three quarters of the fiscal 2012-13, there was a growth of **Rs. 22932 crores** in deposits of the State and the outstanding total deposits reached a level of **Rs. 220489 crores** in the commercial banking sector of the State. During the corresponding period of the previous fiscal, the total deposit of the State was **Rs. 186285 crores**. Quantum wise, the addition is **Rs.34204 crores**, a year on year growth of **18.36 %**,



Another significant feature in this deposits growth is that the share of domestic deposits in total deposits is gradually decreasing since Mar 2011. As at Mar 2011, the share of domestic deposits in the total deposit was **76.67%**, which has now gradually decreased to **71.56%** as at December 2012

### Sectoral Growth of Deposit over the Years

(Rs. in Crores)

Type of deposit	March 2006	March 2007	March 2008	March 2009	March 2010	March 2011	Dec. 2011	March 2012	Dec. 2012	Variation	
										Mar.'12 to Dec.'12	Dec.'11 to Dec.'12
<b>Total Deposit</b>	77677	91697	105488	130350	143404	161562	186285	197557	220489	22932	34204
<b>Domestic Deposit</b>	47006	58394	75599	93331	106518	123872	140348	149103	157781	8678	17433
<b>NR Deposit</b>	30671	33303	29889	37019	36886	37690	45937	48454	62708	14254	16771
<b>% Share of Domestic deposits</b>	<b>60.51</b>	<b>63.68</b>	<b>71.67</b>	<b>71.60</b>	<b>74.28</b>	<b>76.67</b>	<b>75.34</b>	<b>75.47</b>	<b>71.56</b>	<b>-3.91</b>	<b>-3.78</b>

#### A. Banking Group wise Growth in Deposits

As evident from the following table, Private Sector Bank (**40.18%**), followed by State Bank Group (**35.33%**), has the highest share in growth of deposits among the Commercial Banks in the State during the first three quarters of the fiscal 2012-13.

#### Banking Group wise Growth in Deposits

(Rs. in Crores)

Sl. No.	Banking group	Total Deposits			% Share in Total Deposits (Dec.12)	Variation		% Share in Growth	
		Dec. 2011	Mar. 2012	Dec. 2012		Mar.'12 to Dec.'12	Dec.'11 to Dec.'12	Mar.'12 to Dec.'12	Dec.'11 to Dec.'12
1	<b>State Bank Group</b>	65947	69421	77523	35.16	8102	11576	35.33	33.84
2	<b>Nationalized Banks</b>	53893	56546	61745	28.00	5199	7852	22.67	22.96
3	<b>RRBs</b>	5382	5646	6062	2.75	416	680	1.82	1.99
4	<b>Private Sector Banks</b>	61063	65944	75159	34.09	9215	14096	40.18	41.21
	<b>Total</b>	<b>186285</b>	<b>197557</b>	<b>220489</b>	<b>100</b>	<b>22932</b>	<b>34204</b>	<b>100</b>	<b>100</b>

Banking Group wise comparison reveals that **35.16 %** of the deposits in the State is with State Bank Group which has got a **22.20%** share in branch network. The corresponding figures for Private Sector Banks are **34.38 %** share in branch network and **34.09 %** share in deposits. Nationalised Banks, which have **34.20%** of the branch network in the State, have only a share of **28 %** in total deposits. RRBs, in spite of having a share of **9.22 %** of the branch network has only **2.75 %** share in total deposits of the State.

#### B. Population Group Wise/Banking Group Wise Distribution of Deposits

## Population Group wise Distribution of deposits

(Rs. in Crores)

Banking Group	Total deposits				Percentage Distribution				Share of Banking Group in Total Deposits
	Rural	Semi-Urban	Urban	Total	Rural	Semi-Urban	Urban	Total	
<b>State Bank Group</b>	2560	45218	29745	77523	3.30	58.33	38.37	100	35.16
<b>Nationalized Banks</b>	1959	31899	27887	61745	3.17	51.66	45.17	100	28.00
<b>RRB s</b>	527	4509	1026	6062	8.69	74.38	16.93	100	2.75
<b>Private Sector Banks</b>	7723	41424	26012	75159	10.28	55.12	34.60	100	34.09
<b>Total</b>	<b>12769</b>	<b>123050</b>	<b>84670</b>	<b>220489</b>	<b>5.79</b>	<b>55.81</b>	<b>38.40</b>	<b>100</b>	<b>100</b>

As evident from the above table, **55.81 %** of the total deposits of the State is from semi urban areas where **68.95 %** of the branch network exists. Urban areas accounted for **38.40 %** of the deposits and rural areas, **5.79%**. On a comparison with March 2012 position, it is found that the share of urban branches in total deposits is showing a decreasing trend. This has fallen from **48.40 %** as at March 2012 to **38.40 %** as at December 2012. This may be on account of re-categorisation of branches by banks. The semi urban branches have shown an increasing trend in deposits.

### 7.4. NR Deposits (Refer Annexure 9.2)

The NR Deposits have registered an increase of **Rs. 14254 crores** from the March 2012 level. The NR deposits of the State that stood at **Rs. 45937 crores** as at December 2011 reached to a level of **Rs. 62708 crores** as at December 2012. The year-on-year increase was **Rs. 16771 crores** in NR Deposits as at December 2012. (Growth rate of **36.51%**)

### Population GroupWise/Banking Group Wise Distribution of NR Deposits

(Rs. in Crores)

Banking Group	N R Deposits				Percentage Distribution				Share of Banking Group in Total NR Deposits
	Rural	Semi-Urban	Urban	Total	Rural	Semi-Urban	Urban	Total	
<b>State Bank Group</b>	692	16837	7916	25445	2.72	66.17	31.11	100	40.58
<b>Nationalized Banks</b>	398	9194	4064	13656	2.91	67.33	29.76	100	21.78
<b>RRBs</b>	37	161	14	212	17.45	75.95	6.60	100	0.33
<b>Private Sector Banks</b>	2517	13223	7655	23395	10.76	56.52	32.72	100	37.31
<b>Total</b>	<b>3644</b>	<b>39415</b>	<b>19649</b>	<b>62708</b>	<b>5.81</b>	<b>62.85</b>	<b>31.34</b>	<b>100</b>	<b>100</b>

State Bank group has the highest share (**40.58%**) in the NR deposits from the State followed by Private Sector Banks (**37.31%**) and Nationalised Banks (**21.78%**). Of the total Non-Resident deposits **62.85%** deposits were from Semi-Urban areas while Urban areas accounted for **31.34%** and rural areas, **5.81%**.

### 7.5. Domestic Deposits

The growth in domestic deposits during the first three quarters of the fiscal 2012-13 (**Rs. 8678 crores**) was lower than the quantum growth during the previous fiscal (**Rs. 16476 crores**).

### Share of Domestic Deposits in Total Deposits (%)

March 2011	December 2011	March 2012	December 2012
76.67	75.34	75.47	71.56

As at December 2012, domestic deposits accounted for **71.56 %** of the total deposits.

#### 7.6. Credit Expansion (Refer Annexure 9.2)

#### Growth in Advances of the Banking sector in the State

(Rs. in Crores)

Parameter	Total Advances Outstanding over the Years							Variation	
	Mar. 2008	Mar. 2009	Mar. 2010	Mar. 2011	Dec. 2011	Mar. 2012	Dec. 2012	Mar.'12 Dec.'12	Dec.'11 Dec.'12
Total Advances	75305	82819	96987	121980	139347	149293	167333	18040	27986
Percentage Growth (Y-o-Y)	17.16	9.07	17.11	25.77	21.76	22.39	20.08	12.08	20.08

During the first three quarters of the current fiscal, the total advances grew by **Rs. 18040 crores** to reach **Rs. 167333 crores** as at December 2012. This is higher than the addition recorded during the first three quarters of last financial year which was **Rs. 17367 crores**.

On a year-on-year basis from December 2011-December 2012 period there was a growth of **Rs. 27986 crores** in advances, recording a growth rate of **20.08 %**.

#### Share of Banking Groups in Total Advances of the State

Nationalised Banks has the highest share (**34.19 %**) in the total advances outstanding in the State followed by the State Bank Group (**31.84 %**). Private Sector Banks accounted for **29.78 %** of the total advances against a **34.38 %** share in total branch network.

(Rs. in Crores)

Banking Group	Total Advances				Percentage Distribution				Share (%) in Total Advances
	Rural	Semi-Urban	Urban	Total	Rural	Semi-Urban	Urban	Total	
State Bank Group	3315	26845	23119	53279	6.22	50.39	43.39	100	31.83
Nationalized Banks	1717	24926	30560	57203	3.00	43.58	53.42	100	34.19
RRBs	826	5841	358	7025	11.76	83.14	5.10	100	4.20

<b>Private Sector Banks</b>	3956	20107	25763	49826	7.94	40.35	51.71	100	29.78
<b>Total</b>	<b>9814</b>	<b>77719</b>	<b>79800</b>	<b>167333</b>	<b>5.86</b>	<b>46.45</b>	<b>47.69</b>	<b>100</b>	<b>100</b>

Further, **47.69 %** of the total advances in the State is to urban areas where **22.22%** of the branch network exists. Semi Urban areas had **46.45 %** share in total advances against a share of **68.95 %** in branch network. Rural areas had a share of **5.86 %** only in the total advances deployed in the State where as they hold a share of **8.83 %** in total commercial branch network.

#### 7.7. Credit-Deposit Ratio (C D Ratio) (Refer Annexure 9.3)

The Credit-Deposit ratio of the Commercial Banking sector of the State has increased by **1.50 %** during the quarter to reach **75.89 %** as at December 2012.

#### Banking Group wise C D ratio as at December 2012

<b>Banking Group</b>	<b>C D Ratio Percentage Distribution as at December 2012</b>			
	<b>Rural</b>	<b>Semi-Urban</b>	<b>Urban</b>	<b>Total</b>
<b>State Bank Group</b>	129.52	59.37	77.72	68.73
<b>Nationalized Banks</b>	87.63	78.14	109.58	92.64
<b>RRBs</b>	156.76	129.53	34.86	115.88
<b>Private Sector Banks</b>	51.23	48.54	99.04	66.30
<b>Total</b>	<b>76.86</b>	<b>63.16</b>	<b>94.25</b>	<b>75.89</b>

The C D Ratio of Rural, Semi urban & Urban areas of the State is more than the mandatory norm of **60%**. Further, the urban areas have a high CD ratio of **94.25 %**. For the State as a whole the CD ratio is **75.89 %**.

The C D ratio of RRBs is the highest at **115.88 %**. Further, the CD ratios of all the bank groups viz. State Bank Group, Nationalized Banks, RRBs and Private sector Banks are above the desired level of 60% in the State. In rural areas, all the public sector banks have shown a better C D Ratio level well above the RBI stipulated 60 %. Private sector banks have shown a C D Ratio of **51.23 %** and **48.54%** in rural and semi-urban centre respectively which needs further improvement.

#### 7.8. Credit + Investment: Deposit ratio (C+I:D ratio) (Refer Annexure 9.3)

The C+I D ratio of the Commercial Banking Sector of the State as at December 2012 stood at **78.36 %**.

## Incremental CD Ratio

Reporting Quarter	Deposits (Rs. in crores)	Advances (Rs. in crores)	CD Ratio	Incremental CD Ratio
March 2009	130350	82818	63.54	30.22
March 2010	143404	96987	67.63	108.53
March 2011	161562	121981	75.50	137.65
June 2011	166706	124769	74.84	54.20
September 2011	175949	134635	76.52	87.95
December 2011	186285	139347	74.80	70.24
March 2012	197557	149293	75.57	75.87
June 2012	209490	151999	72.56	63.65
September 2012	213518	158836	74.39	64.42
December 2012	220489	167333	75.89	78.67

From the above table it is evident that during the last year, 2011-12, the incremental CD ratio was on a higher side compared to the CD Ratio of the State. This means that the Credit growth is more than the rate of growth of deposits or there is a temporary mismatch in credit and deposit growth. In the current financial year, the incremental credit-deposit (CD) ratio for the quarter ending December 2012 stood at **78.67 %** for the banking system of the State meaning the growth in deposits has over paced the growth in credit. It may be recalled that the Reserve Bank of India had expressed its concerns about the high incremental CD ratio during its quarterly review of the monetary policy.

### 7.9. District-wise Credit Deposit Ratio in the State

As per the recommendations of the Expert Group, headed by Sri. Y.S.P. Thorat, which studied the nature and magnitude of the problem of low CD Ratio across States/Regions and suggested steps to overcome the problem, the Government of India examined and accepted their recommendations with certain modifications. Accordingly it has been decided that districts having CD Ratio less than **40 %** should be monitored by a special sub-committee of District Level Co-ordination Committee (DLCC).

#### District-wise C D Ratio in the State as on 30.09.2012

(Rs. in lakhs)

Sl. No.	District	Deposits	Advances	CD Ratio (%)
1	Trivandrum	3959710	2836870	71.64
2	Kollam	1381518	1004511	72.71
3	Pathanamthitta	2035326	929972	45.69
4	Alappuzha	1461989	928996	63.54
5	Kottayam	1837872	1249310	67.98
6	Idukki	329779	493292	149.58
7	Ernakulam	4650534	4867374	104.66

8	Thrissur	3434040	2420944	70.50
9	Palakkad	1594610	1282882	80.45
10	Malappuram	1171898	814357	69.49
11	Kozhikkode	1617651	1384348	85.58
12	Wayanad	218443	286822	131.30
13	Kannur	1335713	933073	69.86
14	Kasaragod	602677	567683	94.19
<b>Total for State</b>		<b>25631760</b>	<b>20000434</b>	<b>78.03</b>

In Kerala all Districts except Pathanamthitta is having CD ratio of more than 60%. Pathanamthitta is the only district having poor CD Ratio which is constantly under monitoring. As a result, the CD ratio of the district has slightly improved and it touched a level (**45.69 %**) above the benchmark of 40% as at December 2012. LDM, Pathanamthitta should monitor the progress closely and review the same in DCC/DLRC meetings so as to improve from the current levels in an ongoing basis. (The above CD ratio is compiled from the banking Statistics furnished by the LDMs of respective Districts which includes the business figures of District Co-operative Banks and PACS & hence shows a higher CD ratio of **78.03 %** for the State.)

#### 7.10. **Progress under Reverse Mortgage Loan Scheme of National Housing Bank**

On a review of the performance, as at the third quarter of the fiscal 2012-13, banks in Kerala had sanctioned an amount of **Rs. 30.28 lakhs** (10 accounts) and the balance outstanding is **Rs. 65.61 crores** (915 accounts). The review of performance under this crucial “Housing sector” has become a regular agenda item of SLBC, Kerala at the behest of National Housing Bank (NHB). Details are shown in **Annexure-9.23**.

#### **8. Any Other matter with the Permission of Chair**

#### **9. Annexures**