

**MINUTES OF THE 117th MEETING OF
STATE LEVEL BANKERS' COMMITTEE, KERALA**

Held on 18.12.2015 (Friday)
at Hotel Residency Tower
Govt. Press Road, Trivandrum

The meeting commenced at 10 a.m. The List of participants is annexed.

Sri. N. Sivasankaran, Convenor, SLBC & General Manager, Canara Bank welcomed the participants to the 117th meeting of SLBC Kerala. In his welcome address he highlighted the following points.

- ★ SLBC is an integrated forum of the Banks, the Government and various developmental agencies in the state. Due to this uniqueness, many noble tasks with the joint nature of banking and development are entrusted to the SLBC.
- ★ Over a period of time, the institutions under the lead bank concept have grown from forums of government plus banks reviewing priority sector advances. Now, these institutions cover various aspects of financial services and many noble tasks are entrusted to us, by the banking industry as well as by the central and state governments.
- ★ He proudly stated that we have carried out these tasks to the satisfaction of all. The latest being the participation in the National Lok adalat day.
- ★ In the previous meeting of the SLBC, Hon'ble Minister for Norka, Rural Development & Culture, Sri. K. C. Joseph had sought the participation of all banks in implementing the credit linked projects of NORKA, for rehabilitation of non resident returnees. He informed that Canara Bank as SLBC convenor has renewed the MOU with NORKA, It was understood that the South Indian Bank had freshly signed the MOU and in Union Bank of India, the proposal was under process. It is expected that the other banks also to join the list of participants shortly.

Reviewing the vital statistics in banking sector as at September 2015, he observed that:

- Percentage achievement under Annual Credit Plan in Priority Sector till September 2015 is only 37% of the Annual Target. Two Districts have done well by reaching above 50% of the annual target; Kozhikode (53%) and Kollam (51%). But there are seven districts which are below the State Average; Trivandrum (24%), Pathanamthitta (25%), Kottayam (27%), Palakkad (28%), Kannur (33%), Alappuzha (35%) and Ernakulam (35%). The LDMS of these districts should immediately find out the reasons (be it under performance or under reporting) and should address the issue.
- Business growth in the half year is low, compared to last fiscal. Deposit growth is 6%. Advances have grown by just 2 %. As GDP growth is partially credit driven, this is of much importance. The current estimated GDP growth of Kerala is 7.4 %. To retain the growth, credit flow has to increase at one side, On the other side, the credit utilization efficiency also has to improve, particularly in Primary Sector or to put in simple terms, the agriculture credit availed, should be used for agriculture itself.

- The share of domestic deposits has fallen by 2.6 %. While the overall deposit growth rate is 6 %, the domestic growth rate is only half of that at 3 %. The reasons need to be studied. If it is due to a decreasing savings formation in the state, it is a matter of concern, not only to banks, but to the government as well.
- While the overall NPA of 3% is in itself high, NPA in Education loan sector is 11% which is a real matter of concern. The MSME sector also has a 6% NPA rate.
- NPA problem should not be seen as a headache of just the banks, which they have to find a solution by themselves.
- When an account turns NPA, the CIBIL rating of the individual is affected, resulting in the denial of further credit facility from the formal channels. He will be forced to approach the money lenders for his future financial needs.
- Hence, any issue that affects the banking sector will have wider ramifications on the overall economy as well.
- When capital is not recycled, the wheel stops turning. Bankers alone cannot resolve this issue. Banks, the Government and the society at large have their roles to play. The healthy repayment culture has to be maintained.
- Of late there have been one or two instances of certain people organizing illegal resistance to the lawful recovery measures adopted by banks. This will only harm the society in due course. The legal system in the country has sufficient checks and measures to ensure justice and fairness to any aggrieved person. It is deplorable that instead of moving for such options, they have chosen a different path.
- In the half year there has been a fall of 3 % in the agriculture loans outstanding, primarily caused by fall in short term loans. Sustained growth in agriculture finance has to be retained. It should also reflect meaningfully in the growth of agricultural production. For this, we have to shift from the present pattern in agricultural lending which is founded on short term loans especially gold loans. The commercial banks as well as the co operative banks have to promote capital building in the Agriculture sector by increasing term loans. He noted that shift is already visible. The agriculture Gold Loans had decreased by Rs.6700 crores during the half year, whereas the quantum fall in Agriculture outstanding was only Rs 2000 crores. It shows that we could compensate Rs. 4700 crores under other agricultural credit.
- The Agriculture gold loans outstanding decreased by Rs. 6700 crores in the half year. But the increase in non agriculture gold was only Rs 1500 crores (A shift of Rs.5200 crores).
- It can indicate three things.
- One is that a portion of this was converted to other categories of loans and retained in the system.
- Another is that these pledges were redeemed from the borrowers' own resources, which may be one of the reasons for the declining growth of domestic deposits.
- Yet another possibility is that a portion of this has shifted out of the banking system.
- If this is so, it has to be studied, whether; it is going back to the Private money lenders.
- If this is happening, it is not in the best interest of the society, and banks should devise ways to retain this portion within the formal banking system.

While concluding his address, Sri. Sivasankaran solicited continued co-operation, support and involvement from the participants in the smooth conduct of the meeting.

Sri. Rakesh Sharma, Managing Director & CEO, Canara Bank and Chairman of the meeting, in his presidential address expressed immense pleasure in co-chairing this meeting of the State level Bankers Committee for the state of Kerala. All the stake holders of the SLBC, be it bankers, the State and District administrations, various Government departments, RBI, NABARD, have been actively participating in all the endeavours of SLBC in making it one of the best SLBCs in the country.

We are close to the end of the third quarter of the current Financial Year, with one more quarter left, to gear up for achieving the year end targets. The last quarter is very crucial for the bankers as well as for the Government to analyse the performance vis-a-vis the goals set. In this context, the review of performance is very vital to take corrective actions wherever required.

With the launch of Pradhan Mantri Jan-Dhan Yojana, followed by launch of Social Security Schemes and Pradhan Mantri MUDRA Yojana, the banking sector has witnessed sudden surge in Financial Inclusion activities, and banks have taken major initiatives in reaching out to the financially excluded population, there by bringing banking closer to every family.

He then briefly highlighted the performance of banking industry in State as at 30th September, 2015.

- The commercial banks have added 212 branches, year-on-year, compared to 409 branches during the corresponding previous year. However, he noted that Kerala continues to be one among the top states with higher branch network, with a Branch of commercial bank serving an average of 5600 persons. This speaks volumes about the banking penetration in the state, as also the financial literacy.
- The first half year has brought about a moderate growth under major segments. Deposits have registered y-o-y growth of 16% to reach Rs 3.39 lac crores, whereas, the growth from March 2015 to Sept 2015 is only 6% .
- Advances portfolio of banks has grown by 9% to reach Rs 2.23 lac crores, over the last one year, whereas the half yearly growth is muted with only 2% in the current year.
- The CD ratio of the state continues to dwindle, with a reduction from 70% in September 2014 to 68% in March 2015 and further down to 66% as at September 2015. This is a cause of concern and calls for a serious relook by all banks for venturing into newer avenues for expanding credit.
- Deposits continue to grow at a faster rate, compared to advances, resulting in decline in the CD ratio.
- Performance under Annual Credit Plan (ACP) is satisfactory with achievement of 141% of the annual target under Agriculture, 45% under MSE and 95% under Total Priority Sector Advances. However performance under Other Priority Sector Advances with achievement of 23% of the annual target is far from satisfactory.
- Priority Sector Advances have registered Y-o-Y growth of 12% to reach Rs 1.34 lac crores. However a growth rate of only 4% is recorded under Priority Sector Advances in the current half year, which is little bit area of concern.
- Historically, Kerala was always a leader in mobilising Non Resident deposits. The NR deposits have grown by 25% during the last one year.

- There was a fresh vibrancy in the Financial Inclusion activities during the last one year. He expressed happiness that the state has been leading from the front in all such initiatives and that other states looked to Kerala for ideas.
- It is heartening to note that over 19 lac accounts have been opened under Pradhan Mantri Jan-Dhan Yojna and obviously, banks have greater responsibility in ensuring that these accounts are regularly operated, and are of real use to the account holders. This would ensure mobilising rural deposits and their deployment to the needy persons.
- The Department of Financial Services (DFS), Ministry of Finance, Government of India, has been expressing serious concerns about the non-delivery and non-activation of RuPay Cards. He hoped that the banks would have already chalked out plans for organising Camps to ensure distribution of cards and their activation. These camps also need to focus on imparting Financial Literacy, demonstrating usage of cards and the utility of the cards in terms of the eligibility for the inbuilt insurance cover.
- If one looks at the results at national level, it is a concerning fact that over 34% of the PMJDY accounts still continue to have zero balance. Out of the 17 crore accounts opened, OD facility is availed by 10 lac persons only. The number of cases settled under all the insurance products, is very low. Hence he urged upon bankers to rededicate themselves to the national cause and endeavour to bring in, a sea change in the way banking is carried out.
- Quite contrary to the national perspective, the scenario in the state of Kerala is much better, when it comes to the implementation of Financial Inclusion initiatives.
- Kerala being the most literate state, only a gentle push from the banks and the FLCs would suffice to create awareness amongst the public about the schemes and their benefits. Aadhaar Seeding of bank accounts is one of the best in the country and in the matter of zero balance accounts; the state is one amongst the least.

He then quoted a few achievements under the Financial Inclusion initiatives in the state of Kerala,

- ★ Over 19 lac accounts have been opened under PMJDY.
 - ★ So far over 46 lac beneficiaries have enrolled under Social Security Schemes.
 - ★ 1.80 lac beneficiaries have been sanctioned loans under PMMY, amounting to Rs.1800 crores.
- Over the last few years, the role of LDMS has become all the more vital in ensuring the smooth implementation of the Financial Inclusion activities. This calls for highest level of coordination amongst bankers and the Government Machinery in joining hands in meeting the objectives of the national programmes. He called upon LDMS to work with more vigour and enthusiasm in doing so.
 - Pradhan Mantri MUDRA Yojana, is yet another scheme launched by the Hon'ble Prime Minister to fund the unfunded i.e. to bring the micro units in the unorganised sector under the ambit of institutional finance. A call was given by the Ministry for popularising the scheme, creating awareness among the target group and for sensitising the bankers to extend financial support. The Finance Ministry has recently sent the list of ITIs and other skilling centres to be mapped with FLCs and bank branches, in a bid to impart financial literacy to the skilled workers, and assist them financially, to ensure their settlement through MUDRA loans. Banks have a major responsibility to extend their full cooperation in this regard.

He expressed happiness that the banks have displayed highest degree of compliance levels when it comes to the directions of the Ministry of Finance in implementing various initiatives.

Before concluding his address, Sri. Rakesh Sharma urged upon all the stake holders to concentrate on certain priorities such as;

- Venturing in to newer areas for enhancing flow of credit to improve the CD ratio ;
- Organizing camps for distribution and activation of Rupay Cards;
- Invigorating the FLCs to function more efficiently, in imparting Financial Literacy, which is the key factor for the success of PMJDY initiatives;
- Granting overdrafts to 100% of the eligible PMJDY beneficiaries, as per the scheme provisions.
- Ensuring more number of enrolments under Social Security Schemes with special focus on PMJDY beneficiaries, to achieve the self imposed target of 50 lacs, before 31st December. Emphasis is to be given for enrolments under Atal Pension Yojana.
- Strengthening the infrastructure at Kiosk banking and Business Correspondents to increase transactions.
- Inculcating the habit of thrift and savings amongst the rural mass by transactions through their bank accounts.
- Banks to focus on achieving the set targets under Annual Credit Plan

On behalf of SLBC Kerala, he thanked all the bankers, Government officials, and other agencies for their continued support and cooperation extended through out.

Dr. A. Alok Sheel, IAS, Additional Chief Secretary, Planning & Economic Affairs Department, Government of Kerala in his address highlighted the following issues.

- SLBC is a very important forum for number of reasons. Banking system in India and other developing countries is very different and its developmental role would be reflected in shaping the banking system in India. SLBC is the forum where Government, different Banks gathered to resolve issues related to banking and development.
- As per the vital statistics as at September 2015, he observed that high level of deposits and relatively lesser level of advances leading to decline in CD Ratio. The reason behind this is that in Kerala large number of deposits directly or indirectly comes through remittances from abroad. Growth rate of NRI deposits has exceeded domestic deposits. There would be a great deal of overlapping between the two. Deposits can be made by NRIs directly or it comes through remittance.
- Banking system in the country reflects the pulse of the economy. Decline of credit would be on the basis of underlying economic activity either weakening or the inadequate supply of credit due to market failure. He stated that the bankers would be in a better position to analyse these issues.
- Banking system in Kerala, the especially flow of NRI deposits is influenced by the fluctuation in oil prices. Much of our deposits are based on the remittances from abroad, Middle East in particular and the impact of the fluctuation in oil prices would be badly affecting the banking system in Kerala. SLBC should closely track the situation.

Sri. Subrata Biswas, IAS, Additional Chief Secretary, Agriculture Department, Government of Kerala in his address requested all to ensure that adequate credit flow to certain sectors which are the main base of the economy of the State. He then flagged off the following points.

- Credit flow in agriculture sector has to be enhanced.
- Agriculture Credit against gold has come down.
- Credit Deposit Ratio is a great concern of the State, It stood at 65.74%, while neighboring states have more than 100% CD Ratio. He observed that CD Ratio in certain major banking groups stood at a very poor level and 49% is the CD Ratio of a major bank in the State. He suggested that a small team comprising of SLBC, RBI has to look in to this aspect and find out the reasons for continuing slide in the CD Ratio during the last few years and what needs to be done to correct it.
- PMJDY is successfully implemented in the State. But still some pockets are not having banking facility
 - (i) Parambikulam, with basically tribal population has absolutely no banking facility. He requested that Parambikulam should be brought under some type of banking facility.
 - (ii) Achenkovil, is another remote area which is not having banking facilities. Such remote areas in the state must be included under banking facility in the coming days.
- Referring the agenda **3.3.2. loan waiver scheme for scheduled tribe beneficiaries**, he informed that Government Order annexed in the agenda note is quite clear that, the project has been designed to write off the debts of the members of scheduled tribes availed from Co-operative institutions, Government Departments, Nationalized Banks, Kudumbashree units amounting up to Rs. 1 lakh (Including principal amount, interest, penal interest and other charges) of which the repayment period had expired on 31.03.2014. He requested all banks to extend support to Government for implementing the scheme.
- Prime objective of the Government is that the loan liability in the loan account should get closed. He clarified that liability as on 31-03-2014 calculated at the cost of funds, ie. 8%, less the penal interest and charges, shall be accepted as the claim amount, if the amount is less than Rs 1 lakh. If the amount is above Rs. 1 lakh, that account shall become eligible only if the liability can be brought down to Rs. 1 lakh He added that the matter has been discussed with the officials from SLBC and Department. A format for collecting the data has been worked out and will be forwarded to the SLBC.
- Referring to Crop insurance, he pointed out that as at September 2015, Rs. 55680 crore was lent by banks under agriculture advances and Rs. 12967 crores under Kisan Credit Cards. As per the guidelines of RBI, loans to notified crops must be covered under crop insurance. There has to be some kind of monitoring mechanism at branch level to ensure that whether the eligible crop loans have been covered under crop insurance, how much premium has been collected etc. and this information has to be made available to both agriculture department and agriculture insurance company. Bankers to ensure that all crop loans for notified crops are covered under crop insurance.

- Referring to zero balance accounts opened under PMJDY, he informed that complaints are received from grass root level officials that when housing subsidy assistance for the tribal beneficiaries are routed through banks, some banks are insisting on credit balance in the account for crediting the subsidy. Details of the bank branches insisting credit balance would be passed on to the Convenor, SLBC. The matter has to be looked into.

Concluding his remarks, he touched upon the points mentioned in the previous SLBC meetings and requested to address the issues in the agriculture finance in remote panchayats viz. Marayoor, Kanthalloor and Vattavada in Idukki District.

Sri. Nirmal Chand, Regional Director, Reserve Bank of India in his address touched upon the following points.

- Credit Deposit Ratio as at September 2015 stood at 65 % after falling from 71% in September 2013. We are having the responsibility to create an enabling environment in the State for which approvals and clearances are to be expedited by the Government. Along with it at the Board level the banks have to formulate initiatives to support certain sectors of State and sensitize the people down the line.
- RBI has started a national mission on capacity building on MSME sector and also on seminars on agriculture sector to be conducted to sensitize the functionaries. There has to be collective responsibility in working together for increasing the CD Ratio.
- Referring to Education loans, he observed that during the last one year, there has been more than 1 % increase in number of accounts and around 5% increase in quantum. He observed that new Education loans are not coming. NPA level has come down only slightly from 11 % as at September 2014 to 10.5 % as at September 2015. The matter has to be deliberated in the meeting.
- Referring to zero balance account under PMJDY, he informed that the objective is to inculcate banking habit among the poor people and whatever surplus money they are having should be channeled to their account.
- Referring to meaningful financial inclusion, he stressed on the need to provide more banking services in vulnerable areas along with some sort of support for providing marketability. Referring to the water scarcity and other problems in vulnerable areas, he informed that we had to bring out the social issues at the field level and sort it out, then only an enabling environment is created for financing. These issues have to be discussed at DCC/DLRC/BLBC level.

Concluding his remarks, Sri. Nirmal Chand suggested that we should be good listeners also so as to know and resolve the difficulties faced by the people.

Sri. Ramesh Tenkil, Chief General Manager, NABARD highlighted the following points in his speech.

- As at September 2015, achievement of ACP under Priority sectors, Primary, Secondary and tertiary sectors are below 50%
- CD Ratio is declining
- Term loans under Agriculture sector is only 22 %.
- Agri Gold loan is declining
- NPA under Education loan come down

- (i) Referring to agenda **3.2.2. Roll out of “Start up India Programme”** he pointed out that based on the Hon’ble Prime Minister’s independence day address announcing the roll out of “Start up India Programme”, DFS, GOI has advised that :
- a. Appropriate action to formulate suitable schemes for ensuring implementation of Prime Ministers directive on assisting at least one dalit/tribal entrepreneur and woman entrepreneur by each bank branch may be initiated.
 - b. As the details of the measures taken in this regard are to be reported to Prime Minister’s office after three months, all branches may be instructed to ensure strict compliance to provide at-least one loan to Dalit/Tribal entrepreneur as start-up to the tribal in the locality where there is any tribal habitation. Where there is no tribal habitation, the branch can provide loans to a Dalit or a tribal and formulate a special scheme for women entrepreneurs to promote start up of women entrepreneurs under “Start up India Programme”.

SLBC has circulated the format among Controlling Offices of banks for reporting the monthly progress on the Startup India programme directly to NABARD.

- (ii) Referring to agenda **3.3.6. Implementation of the Interest subvention scheme under NRLM, in Category II districts** he observed that as per the guidelines governing implementation of the Interest subvention scheme under NRLM, in Category II districts, SRLM (Kudumbasree in Kerala) has to provide interest subvention to the NRLM compliant SHGs who have availed loans from Banks. However it has come to our notice that WSHGs promoted by agencies other than Kudumbasree are not getting the benefit of subvention, since Kudumbasree is reluctant to issue “NRLM Compliant” certificate to WSHGs promoted by agencies other than Kudumbasree.

In category I districts, Palakkad & Malappuram, banks are required to give loans to WSHGs at 7 % and claim subvention upto 5.5%. However many banks are still lending at higher rate. He requested all Commercial banks to issue instructions to branches in Palakkad and Malappuram to give loans to WSHGs at 7 %, if they are eligible for availing subvention under NRLM.

He informed that Wayanad district is implementing Government of India’s WSHG scheme through NABARD and selected non Government organizations. However Malappuram has come under Category I, instead of Wayanad, the backward district. Hence, Wayanad is actually not getting the benefits to WSHGs. This is one of the frequent complaints received from Commercial Banks.

He informed that Kudumbashree, the nodal agency for NRLM, has to approve the group as NRLM Compliant and make them eligible for subvention. In districts other than Palakkad & Malappuram, Kudumbashree is required to certify these groups and they have selected only Kudumbashree groups for eligibility to get this subvention. He requested to look into the matter little more deeply during the course of discussion in the meeting.

(iii) Referring to agenda **3.3.9. NPA position under group loans [SHG/JLG/MCB]**, he requested that SLBC may review NPA position under SHG/NHGs, so as to take stock of the extent of incidence of NPA in the sector and to suggest necessary action for rectification / reduction in NPA. For which, SLBC design a format for collecting data on SHG and JLG separately and circulated to all banks for submitting the data within the time frame.

- Exemption of service charges to priority sector lending to SHGs/JLGs. RBI master circular on priority sector lending has clarified that exemption limit for payment of services charges up to Rs. 25,000 to SHGs and JLGs.
- NABARD had given agriculture term loan at concessional rate of 6.2 % to Cooperatives and RRBs so as to boost up capital formation.
- To arrest the fragmentation of land which is really not remunerative, he informed that during the Union budget 2014-15, Government of India had announced a produce fund of Rs. 200 crores which is managed by NABARD .This fund is for supporting the formation of 2000 farmer producers' organizations.
- NABARD has been assisting the farmer producers' organizations (FPO) which are set up either as a company or as a society by pooling the resource of farmers. The producer organization promoting institution could be any agency either private or any agency NGOs or State Government agency Universities, NGOs and even rubber board and Spices board. NABARD will be able to support them for formation of producer organizations over a period of 3 years. He informed that registered FPOs could approach banks for working capital requirement.
- Last year NABARD has assisted Government of Kerala to formulate price stabilization fund for Rubber.
- Regarding PLPs for 2016-17, NABARD, have completed the exercise in all the districts. State Focus Paper for 2016-17 has prepared and it would be released in the State Credit Seminar scheduled for 5th January, 2016.
- He extended a formal invitation to all the Government Departments and Banks for attending the State Credit Seminar.

Speaking on the occasion, **Sri. Ashok Kumar Singh IAS**, Additional Mission Director, PMJDY, Ministry of Finance, Government of India observed that there are signs of change taking place in the financial sector. At the policy level many major decisions have been taken like licensing payment banks and small banks. It is a warning signal for the all the established institutions including banks, cooperative institutions and financial institutions to better their style of functioning. For the first time, there was a collective effort to make the financial services available to the population which was outside the banking. PMJDY, Mudra Yojana, Start up India Programme etc. are part of it. Therefore we should not do the things in the routine mode and consider it as part of our job.

He then indicated Mudra Yojana is one of the thrust areas. Nationally 18 lakh accounts and Rs. 1,22,000 have been fixed as targets. Rs. 52,000 crores has been disbursed.

He observed that overall achievement stood at 40 % of the target that a clear strategy has to be adopted to achieve the target within the financial year. He also observed that one of the major banks achieved only 20 % of its target while the bank well performed in other sectors. Individual banks have to meet their target. One of the major concerns among banks is about delinquency in the repayment. All portfolios will be covered under Credit Guarantee and it is going to be retrospective.

Referring to the issue of zero balance accounts under PMJDY, he informed that when money flows into a zero balance account and when that money is taken out, then the account is not to be considered as a zero balance account. It should be choice of the account holder whether he wants to keep the money in the account or not. Zero balance does not means that the money cannot come and cannot go.

Referring to the water scarcity issue raised by Regional Director, RBI, he said it was a good idea to help water sector under CSR scheme, especially in Attappady.

Referring to agenda **2.3.4. Noting of Equitable Mortgage created in favour of the banks in Revenue Records & Noting of lien of the Bank in Thandaper Register of Village Office for the loans granted by the Banks** he pointed out that the matter should be taken up with higher level. Government would get revenue and all departments should be linked so that high level of data digitization would take place in the country.

The House then proceeded with issues listed in the agenda items.

1. ADOPTION OF MINUTES

The forum unanimously adopted the minutes of the 116th Meeting of SLBC, Kerala held on 22nd September, 2015, which was forwarded to the members, vide Convener's letter SLBC 35 325 2015 GN dated 9th October, 2015.

2. PENDING ISSUES

2.1. PRIMARY SECTOR

2.1.1. Introduction of a Credit Guarantee Scheme for Agriculture Term Loans similar to CGTMSE (Pending since July 2012)

The forum decided to pursue the matter.

(Action: SLBC Cell)

2.2. SECONDARY SECTOR

2.2.1. Issues involved in the implementation of PMEGP Scheme (Pending since March 2014)

Sri. I. Jawahar, State Director, KVIC suggested that rather than moving for a total approval, Government has to give a direction to the panchayat to give in principle approval which can be given initially in this regard.

Sri. Subrata Biswas, IAS, Additional Chief Secretary, Agriculture Department, Government of Kerala assured the forum to follow up the matter with the concerned Department.

The forum decided to pursue the matter with Government with a request to support with a speedy decision.

(Action: SLBC Cell / Local Self Government Department)

2.2.2. PMRY 2006–07 & 2007–08 - Non receipt of Subsidy
(Pending since August 2009)

Sri. I. Jawahar, State Director, KVIC suggested that LDMs to collect district wise data in this regard and submit to SLBC Cell for consolidation. Responding to RBI, DGM he clarified that the money is available with Ministry of MSME and that would be provided by routing through DIC.

The forum decided that banks to submit the consolidated data on subsidy outstanding to SLBC Cell and SLBC in turn take up the matter further.

(Action: SLBC Cell / Banks)

2.3. TERTIARY SECTOR

2.3.1. Land Allotment for construction of RSETI Buildings
(Pending since July 2012)

Sri. K. V. Mohan Kumar IAS, Commissioner for Rural Development informed that in the case of Palakkad, the matter is pending with Local Self Government Department. Since the file is not coming forth, the proposal would be resubmitted.

In the case of Kollam, the matter is pending with Land Revenue Commissioner and will be sorted out soon.

In the case of Pathanamthitta, a building is already allotted, but a writ petition has been filed by Block Panchayat President in the Kerala High Court against allotment. The Government has filed its affidavit in favour of the allocation. The stay will be vacated soon.

In Kozhikode, two places have been identified (i) Land with Education Department (ii) land in a purambokku not paid tax for the past 15 years.

Sri. Subrata Biswas, IAS, Additional Chief Secretary, Agriculture Department, Government of Kerala requested the Commissioner for Rural Development to bring the matter pertaining to Local Self Government Department to him.

LDM, Pathanamthitta clarified the issue pertaining to RSETI, Pathanamthitta that the bank advocate have filed an urgent petition and the case came up on 16.12.2015. He then read out the Court order saying that, as per the Section (5) of the Panchayat Raj Act, district panchayat was the corporate body and legal entity and Panchayat is the authority of the building. Court was of the view that in the light of the above, Government has no authority to issue orders transferring property to the bank. However the Court has directed the Government to inform as to whether the proposal for Grama Nyayalay, as per GO (Ms)86/2011 has been cancelled or terminated or whether it continues to exist. The case has been posted for hearing after Christmas vacation.

The forum requested the LDM, Pathanamthitta to provide a copy of the order to the Commissioner of Rural Development for examining the matter.

(Action: LDM, Pathanamthitta)

LDM, Palakkad informed that funds earmarked for construction of RSETI building will be elapsed, if no decision is taken before February 2016.

LDM, Kozhikode informed that the District administration has asked the village office to report the tax paid details of the land identified. Some more pressure has to be put on to District Administration then only things will be moving.

Sri. U. Dinesh Pai, Deputy General Manager, Syndicate Bank informed that they have met the District Collector, Kollam and informed that they are waiting for clearance from Land Revenue Commissioner.

(Action: Commissionerate of Rural Development / Revenue Dept. / Law Dept.)

Other Issues related to RSETI

- **Waiver of One time building tax and annual building tax charged by LSGs for RSETI buildings**

LDM, Thrissur informed that they have got orders from Government for building tax exemptions to RSETI, Thrissur.

The forum requested the LDM Thrissur to circulate the copy of the same to other LDMs also.

(Action: LDM, Thrissur)

2.3.2. Computerization of Land Records & Creation of a Central Registry titled National Mortgage Repository (Pending since June 2006)

Smt. Rachel Varghese, Additional Secretary, Revenue Department, Government of Kerala informed that computerisation process of land records is completed in almost 9 districts (Kollam, Pathanamthitta, Kottayam, Alappuzha, Ernakulam, Thrissur, Palakkad, Wayanad, Kannur). In 573 villages of these districts the Thandaper Register is computerised and Online Pokkuvaravu (Revenue record mutation) is going on.

(Action: Revenue Department)

2.3.3. Denial of E-Tender access facilities to customers of all banks except SBT (Pending since March 2014)

Sri. Subrata Biswas, IAS, Additional Chief Secretary, Agriculture Department, Government of Kerala requested the Convenor, SLBC to inform details in writing, and assured to take up the matter with the respective Secretary.

(Action: Planning & Economic Affairs Department, SLBC)

2.3.4. Noting of Equitable Mortgage created in favour of the banks in Revenue Records & Noting of lien of the Bank in Thandaper Register of Village Office for the loans granted by the Banks (Pending since March 2014)

The forum decided to pursue the matter with Revenue Department.

(Action: Revenue Department)

2.3.5. Registration of UDS [Un Divided Share]

In the absence of representatives from Taxes Department, the forum decided to pursue the matter with Taxes Department.

(Action: Taxes Department)

2.3.6. Registration Act, 1908 – State amendment of Section 17 (1) (f)

In the absence of representatives from Taxes Department, the forum decided to pursue the matter with Taxes Department.

(Action: Taxes Department)

2.3.7. Issues relating to Stamp duty on Branch & ATM lease deeds

In the absence of representatives from Taxes Department, the forum decided to pursue the matter with Taxes Department.

(Action: Taxes Department)

2.3.8. Waiving of stamp duty on loan sanctioned against pension to Senior Citizens

In the absence of representatives from Taxes Department, the forum decided to pursue the matter with Taxes Department.

Sri. Subrata Biswas, IAS, Additional Chief Secretary, Agriculture Department, Government of Kerala assured the forum to take up the matter with the concerned Department.

(Action: Taxes Department)

2.3.9. Matter related to Service Charges for the DBT for scholarships under e-grantz (Suggested by Directorate of Scheduled Caste Development Department)

The forum noted that the 116th Meeting of SLBC, Kerala held on 22.09.2015 took a decision that SLBC convener shall arrange a meeting of Canara Bank, Indian Overseas Bank, Indian Bank, State Bank of India, State Bank of Travancore, Kerala Gramin Bank and officials from Finance Department and SC Development Department to sort out the matter.

The meeting was held on 2015 December 8th by the Additional Chief Secretary Dr. Inder Jit Singh IAS.

- He requested the concerned banks to reconsider the issue of collecting the service charges on DBT transactions.*
- The issue of release of subsidy from Department for the loans sanctioned by the Banks was also discussed in this meeting.*
- The ACS desired that there should be timely and adequate flow of credit to SC & ST, who are the most deprived sections of the society.*

- *Operational issues of the agencies involved (Banks & Department) should not be obstacles to the purpose.*
- *The SLBC had placed a list of 203 cases where subsidy was to be released from the Department to the Banks. Of this 64 were current cases and 139 pertained to previous financial years. The ACS instructed the department to enquire into the reasons of non release of subsidy in these 139 cases and to release the subsidy in the eligible cases positively within 30 days.*
- *Wherever unutilized subsidy is lying with any bank, the same has to be refunded to the department. The Directorate of SCD and the SLBC together shall collect a list of such cases from banks.*
- *The ACS directed that in future, the department shall release the subsidy for functioning units, within one month from the date of receipt of claim from banks, after completing the inspection and other formalities by SCDD.*
- *In future, the issues related to the release of subsidy etc. have to be resolved at meetings of the Banks and Department officers at BLBC, District and SLBC level. Such meeting shall be convened at regular intervals so that issues if any can be resolved through mutual discussion.*
- *The ACS also informed that the Government proposes to enhance the total amount of assistance under the scheme from the present Rs 3 lakhs to Rs. 5 lakhs.*

*In the SLBC forum, **Sri. K. Gopalakrishna Bhatt IAS**, Director, SC Development Department observed that the common direction from the Finance Ministry is applicable not only for SC Department but all other departments and they are charged these service charges and commission etc. But some banks have approached the department and have offered to provide these services without charges. if the department shifted the business to them. He requested the existing banker to reexamine its stand in the light of this.*

***Sri. Ashok Kumar Singh IAS**, Additional Mission Director, PMJDY, Ministry of Finance, Government of India clarified that there is demand from bankers to have some sort of charges but that charge cannot be passed on to the customer.*

***Sri. K. Gopalakrishna Bhatt IAS**, Director, SC Development Department added that,*

- *He had received a written complaint stating that some banks in Kottayam and Malappuram districts are charging some amount around Rs. 600 to Rs. 750 per account as account keeping charge.*
- *Another issue is that if the account goes without any transaction for 3 months it will automatically freeze. But departmental process takes more than 3 months to transfer benefits like e-grantz or scholarships to the students. When this money goes to the frozen account it gets rejected.*
- *Mismatch of IFSC code is another quoted reason for rejection of fund transfer.*
- *One more issue is that in a number of cases, when transaction is rejected, the department is not able to trace where the money goes. Neither the student receives it nor does the department get it back.*
- *These kinds of technical problems have to be sorted out both by the Department as well as by the bankers.*

Sri. C. Saravanan, Deputy General Manager, RBI informed that:

- (i) Regarding DBT Charges, if it is through NEFT or RTGS there is very clear RBI direction that there should not be any service charges.
- (ii) Case of accounts getting frozen for no transaction for 3 months, is owing to the Anti fraud control measure as per RBI directive. But the intention is not to prevent credits to the account. If credit is rejected it is technical issue which the concerned bank has to correct,
- (iii) Mismatch between the account and IFSC may be like when dialing the wrong number call will not go.
- (iv) Where the account is not settled and a feedback is not received, the current configuration is that if the Account is not settled in an electronic transaction the flow back has to happen on the same day or at best within 48 hours. If this is not happening any departments can take up with the concerned bank .The fund has to automatically go back.
- (v) RBI is holding quarterly meetings of bankers and Government representatives on clearing house, unfortunately such feedbacks are not coming in the meeting.
- (vi) Many are small operational issues that can be sorted out with the respective banks.

Sri. K. Gopalakrishna Bhatt IAS, Director, SC Development Department said that these kinds of issues would be sorted at SLBC level and lower level issues would be sorted out with concerned bank level.

He informed that in the list of 203 cases submitted by SLBC, where the Department has not released subsidy to the banks, most of the cases are that of banks not informing the department about sanction of the loan. Major chunk of the cases ie. 53 goes to Indian Overseas Bank and the bank has not informed about the sanction of loan to the department concerned.

Sri. N. Sai Prasad, Chief Regional Manager, Indian Overseas Bank assured in the meeting the details claimed would be collected from various branches and sent to the department

The forum decided to take up the matter with concerned banks.

(Action: Banks / SC Development Department)

2.3.10. Non availability of Government of India Interest Subsidy on Education loans granted by KSCARD Bank & Non availability of Central & State Governments Interest Subsidy to Education Loans availed from District Co-operative Banks & PACS (Pending since July 2012)

Sri. Ashok Kumar Singh IAS, Additional Mission Director, PMJDY, Ministry of Finance, informed that Government of India has to take policy decision in this regard.

Sri. V. Prabhakaran Nair, General Manager, Kerala State Cooperative Bank clarified that Government of India had included Kerala State Cooperative Bank under scheduled banks, as such subsidy arrears for 3 years have been cleared. Since Government of India is able to give subsidy to scheduled cooperative banks only, District Cooperative Banks are not getting the subsidy.

Smt. Aparna Prathap, General Manager, KSCARD Bank informed that they are having 20% of the business of the State and they are not getting the Government of India Interest subsidy on Education loans due to the reason that KSCARD Bank is a non-scheduled bank. Government of India has to take favourable decision as early as possible.

The forum requested the KSCARD Bank to take up the matter with Ministry of Finance, Government of India.

(Action: KSCARD Bank)

3. FRESH ISSUES

3.1. PRIMARY SECTOR

3.1.1. Agriclincs and Agribusiness Centres (ACABC) Scheme (Suggested by NABARD)

Sri. Subrata Biswas, IAS, Additional Chief Secretary, Agriculture Department, Government of Kerala requested the Director of Agriculture to invite NABARD officials also in the forthcoming training programme to be conducted by the Agriculture University.

The forum noted the matter for information and decided to monitor the progress of the scheme on a quarterly basis.

(Action: Department of Agriculture)

3.1.2. Common Errors by Bankers in Crop Insurance Coverage (Suggested by SLBC Cell)

The forum noted that SLCCI requested to bring the following issues to the notice of the banks in Kerala

- *Under RKBY (NAIS), crop insurance is compulsory for all the loans granted for cultivation of notified crops in notified areas. (All short term crop production loans)*
- *Responsibility to insure lies with the lending institution and not with the farmers*

The following omissions are observed from bank side.

- *Not collecting Insurance premium for the loan account*
- *Collecting the premium , but not remitting it to AICL*
- *Remitting to the AICL after cutoff date*
- *Not covering certain loan categories , even though as per loan documents they are granted for cultivation of notified crops in notified area*
- *All the above can result in grave consequences*

The forum noted the district wise ready reckoner issued by the Agriculture Insurance Company for Rabi Crop Insurance 2015-16 provided in the annexure.

Sri. Subrata Biswas, IAS, Additional Chief Secretary, Agriculture Department, Government of Kerala requested to cover all eligible crop loans under crop insurance. The information should be passed on to the AIC of India Ltd. as well as Director of Agriculture.

LDM, Kozhikode informed that during the conferences or workshop with Branch Managers and Agricultural Insurance Company people, main complaint raised by farmers is that the bankers are doing insurance but settlement rate of insurance company is very less.

Sri. Rajesh D, Regional Manager, AIC of India Ltd. informed that they are implementing the national crop insurance programme through banks for loanee farmers and through department of agriculture for non loanee farmers. Basic indemnity clause, in the programme is very clear. It is an area based approach. The first scheme, the modified national agriculture insurance scheme provides based on the yield. If there is any short fall in yield as declared by the State Government line department, then all the farmers in that area are eligible for that indemnity at same rate depending upon the loan amount insured the quantum pro-rata.

The second scheme, the Weather Based Crop Insurance scheme is found to be more attractive to the farmers based on the experience of implementing it for the last 3 years. Here indemnity is based on the actual weather conditions Here too all the farmers in that reference unit area are eligible for the indemnity at the same rate. So these being the procedure, there can be no case of denying any due indemnity to the insured farmers. Records show that in many of the notified area there is a shortfall in yield or adverse weather incidents recorded.

For the non loanee farmers it is voluntary and they do not opt this benefit. But for a loanee farmer it is compulsory. As per the scheme the benefit is there by yardstick decided by the Government of India. The benefit will finally reach the farmer only if he is insured. If the loanee farmer is not insured by the bank, the onus to pay the indemnity will fall on the bank. So the point is in many of the areas farmers suffer crop loss and deserve compensation, but will not get the indemnity because they are not insured.

Notification is issued for this Rabi season covering the major crops of the State (i) banana and plantain and (ii) the second and third paddy crop grown during the Rabi season. There are cut off dates prescribed. Banks need to ensure that proposals with premium reach AIC within this cut off. This cutoff date has been notified by the Government; AIC will not be in a position to accept it once it is received after the cutoff date. In addition to giving training and workshop to each and every district in collaboration with LDMs, this time AICL has issued a district wise ready reckoner for the benefit of bankers in soft copy to the Controllers of each bank. He requested to place the notification details in the website of SLBC.

He requested that along with collecting statistics on agriculture advances, insurance covered (No. of accounts & Amount) also may be collected.

The forum requested all banks to instruct their branches suitably in this regard.

(Action: Banks)

3.2. SECONDARY SECTOR

3.2.1. Implementation of Coir Udyami Yojana (Suggested by Coir Board)

The forum requested the Coir Board to provide the updated list of pending applications and pending reconciliation for placing in the SLBC.

(Action: Coir Board)

3.2.2. Roll out of “Start up India Programme” (Suggested by NABARD)

The forum noted that as per the decision of the Steering Committee of 117th SLBC that met on 01.12.2015, the following format was circulated among Controlling Offices of banks by SLBC Cell, requesting to report the monthly progress on the Startup India programme directly to NABARD.

Name of Bank	Assistance provided under Start up India Programme					
	SC		ST		Total	
	No of a/c	Amount (Rs in lacs)	No of a/c	Amount (Rs in lacs)	No of a/c	Amount (Rs in lacs)

(Action: Banks)

3.2.3. PMEGP Pending Applications 2015-16

Sri. I. Jawahar, State Director, KVIC informed that under PMEGP against the target of Rs. 27.98 crores, KVIC has already released the funds to the tune of Rs. 16.60 crores. The previous day again Rs. Rs. 5.71 crores has been released. Only concern is that there is around 40 % applications are pending with banks.

The forum noted that PMEGP pending applications 2015-16 were circulated to concerned banks and requested concerned banks to dispose of all pending applications.

(Action: Banks concerned)

3.2.4. Subsidy linked Mudra loans (Suggested by SLBC Cell on Directives from DFS)

The forum noted that various credit linked programmes of the State Government and its agencies for Entrepreneurs may be integrated with the MUDRA Yojana.

Sri. K. I. Varghese, Chief General Manager, Federal Bank pointed out that as far these loans are concerned, since Federal Bank is out of the CGTMSE scheme, loans sanctioned during the last year under the sectors are deprived of the Guarantee cover.

Sri. C. Saravanan, Deputy General Manager, RBI informed the RBI officials has discussed the matter with CEO of CGTMSE and as per his assurance RBI had already advised to Federal Bank that the Regional Manager of Federal Bank in Mumbai to meet the CEO of CGTMSE and sort out the issue.

LDM, Palakkad informed that different banks are charging rate of interest of more than 14 %. New private sector banks are reluctant to sanction Mudra loans.

LDM, Kasargod added that most of the private sector banks are reluctant to give mudra loans.

Sri. Ashok Kumar Singh IAS, Additional Mission Director, PMJDY, Ministry of Finance, informed that Government of India requested to inform more feedback in this regard to his email ashok.singh69@nhg.in

3.3. TERTIARY SECTOR

3.3.1. Norka Department Project for Return Emigrants [NDPREM] (Suggested by Non-Resident Keralites' Affairs Department)

The forum noted that that Canara Bank has signed fresh MoU with the Norka Roots, Government of Kerala on 23.11.2015. Renewal of the MoU by Union Bank of India is pending. Other than that only South Indian bank has signed MoU.

The forum noted that draft MoU signed by Canara Bank with Norka Roots, Government of Kerala was circulated among all banks and requested other banks to join the scheme

(Action: Banks)

3.3.2. Loan Waiver Scheme of Scheduled Tribes Development Department (Suggested by the SC/ST Development (D) Department)

The forum noted that the following Government Orders provided in the annexure of agenda & background notes

(i) GO (P) No.71/2015/SCSTDD dated 01.10.2015 - Government have accorded administrative sanction to implement the Loan Waiver Scheme for the scheduled tribe beneficiaries of Kerala. The project has been designed to write off the debts of the members of scheduled tribes availed from Co-operative institutions, Government Departments, Nationalized Banks, Kudumbashree units amounting up to Rs. 1,00,000/- (Including principal amount, interest, penal interest and other charges) of which the repayment period had expired on 31.03.2014.

(ii) GO (Ms) No.54/2015/SCSTDD dated 14.07.2015- Kerala State SC/ST Development Corporation Ltd. has been entrusted as the disbursing agency for the implementation of loan waiver scheme.

The forum noted that the Steering Committee that met on 01.12.2015 deliberated the matter and placed the following suggestions to Scheduled Tribes Development Department.

- (i) NPA loan account holders also may be considered*
- (ii) In case of liability exceeding Rs 1 lakh , if the bank/ financing institution is willing to give a one time settlement/ waiver for the surplus amount , such case should be accepted in the waiver scheme. A letter from the Bank/Financial Institution to that effect may be accepted. The waiver amount shall be transferred to the account subject to the liability being brought down to Rs 1 lakh per the terms of the One time settlement /bank waiver*

- (iii) *The definition of family may be given clarity*
- (iv) *Income Tax payees need not be considered for benefits under the scheme*
- (v) *All Scheduled Commercial Banks may be included*

In connection with the operational part of the scheme the Steering Committee has made the following recommendations.

- *To adopt the strategy applied in Fishermen debt relief scheme*
- *The Corporation may invite applications from the concerned borrower*
- *The loan details may be got certified by the financing institution (Banks- branch Manager, Co-operative societies - The secretary, Government department - the head of the office, Kudumbasree - District Mission Co-ordinator)*
- *The department may convert the data into an electronically sortable form such as MS excel/spread sheet*
- *The multiple applications from same family /same applicant may be weeded out*
- *The claims may be scrutinized and relief amount arrived as on the applicable date*
- *The finalized list may be circulated to the banks to confirm the correctness of the bank particulars loan account ,*
- *Banks shall confirm to the Corporation within a reasonable period*
- *The bank/ financing institution shall also take a suitable decision on the interest and other charges arising in the account after the applicable date*
- *Each bank/Institution shall also designate a nodal branch to receive the claim from the Corporation and inform the details*
- *The corporation shall transfer the amount to the designated branch/office , which in turn shall credit it to the individual accounts within a time frame*

*The forum noted that **Sri. Subrata Biswas, IAS**, Additional Chief Secretary, Agriculture Department, Government of Kerala already detailed the matter in his opening remarks. The prime objective of the Government is to clear all the loan liabilities of the tribal people. The matter has been discussed with the officials from SLBC and Department. A format for collecting the data has been worked out and will be sent banks by Department.*

The forum requested all banks to submit the details on receipt of the format.

(Action: STDD Department, Banks)

3.3.3. Kiosk banking – Inactive banks – Allotted SSAs transferring to Active Banks (Suggested by Akshaya)

The forum noted that as per the decision of the Steering Committee Meeting of 117th SLBC an exclusive meeting with Akshaya and concerned banks was convened on 8th December, 2015 and the following decisions were taken.

- (a) *The Officers of the concerned banks, LDM and officers of Akshaya jointly shall visit the affected kiosks and study the issues including the technology issues and resolve them. Wherever issues still persist, the same will be escalated to SLBC for resolution.*

- (b) *The banks will also arrange a meeting of Akshaya Kiosk Operators, Link branches, technical officers of the bank and officers of Akshaya and discuss face to face and resolve the ground level issues.*
- (c) *These two exercises will be completed by 15th of January 2016.*
- (d) *Sub KO facility would be provided by the banks wherever required and feasible.*
- (e) *The job utilization of KO/Sub KO would be measured in percentage and reviewed by periodically by the concerned banks.*
- (f) *Each bank may consider providing an exclusive technical person at Central Office level to attend Akshaya issues.*
- (g) *Software issues would be suitably addressed to remove the technical glitches.*

The forum adopted the above decisions and requested other banks as well, to improve their Kiosk functioning. The performance can be reviewed and if it is not improving by March 2016, suitable decision may be taken to transfer these Akshaya centres to other banks.

Sri. Murugan G., Nodal Officer (Kiosk Banking), Akshaya informed that the following are the actual issues (i) no inter operability (ii) software issues.

(Action: Banks/Akshaya)

3.3.4. Illegal organized resistance to recovery measures initiated by Kerala Gramin Bank in Wayanad District (Suggested by KGB)

The forum noted that during the Steering Committee Meeting of SLBC, Kerala held on 01.12.2015, the representative from Planning & Economic Affairs Department, Government of Kerala informed that in this context, Government have given suitable direction to the district administration for amicable settlement.

Sri. K. V. Shaji, Chairman, Kerala Gramin Bank informed that this issue is affecting not only KGB but many other banks especially those active in priority sector lending and agriculture lending. Some organisations are actually playing with public sentiments and working against the bank. Bank initiated only the legally permitted recovery steps. He added that branch was closed for 10 long days could open only after securing a High Court Order.

LDM, Wayanad informed that the matter was discussed in detail during the last DLRC meeting held three days back wherein the district administration has assured all support for loan recovery initiated by banks.

The forum decided to take up the matter with Government.

(Action: SLBC)

3.3.5. Land mafia exploiting small & marginal land holders (Suggested by Planning & Economic Affairs Department)

The forum advised the banks to take sufficient precaution to prevent such cases occurring

(Action: Banks)

3.3.6. Implementation of the Interest subvention scheme under NRLM, in Category II districts (Suggested by NABARD)

The forum noted that during the opening remarks, Sri. Ramesh Tenkil, Chief General Manager, NABARD pointed out that as per the guidelines governing implementation of the Interest subvention scheme under NRLM, in Category II districts, SRLM (Kudumbasree in Kerala) has to provide interest subvention to the NRLM compliant SHGs who have accessed loan from Banks. However it has come to our notice that WSHGs promoted by agencies other than Kudumbasree are not getting the benefit of subvention, since Kudumbasree is reluctant to issue “NRLM Compliant” certificate to WSHGs promoted by agencies other than Kudumbasree.

The forum also noted that except Palakkad & Malappuram, all other districts are coming under Category II. The Kudumbasree Mission also should review their present procedure. In Category I, all participating banks must ensure that all their eligible groups are covered. Further, all Banks are requested to issue guidelines to the branches on NRLM interest subvention, so as to ensure smooth implementation of the programme.

(Action: Banks / Kudumbashree Mission)

3.3.7. Submission of Utilization Certificate (Suggested by NABARD)

The forum requested all banks to follow up their branches for clearing pendency & prompt submission of Utilization Certificate, as per the guidelines of the schemes directly to NABARD periodically.

(Action: Banks)

3.3.8. Refund of Subsidy (Suggested by NABARD)

The forum requested all banks to follow up their branches for clearing pendency & prompt submission to NABARD.

(Action: Banks)

3.3.9. NPA position under group loans [SHG/JLG/MCB] (Suggested by NABARD)

The forum decided to review NPA position under SHG/NHGs, so as to take stock of the extent of incidence of NPA in the sector and to suggest necessary action for rectification / reduction in NPA. All stake holders are requested to extend support to FIs in their NPA reduction efforts.

The forum noted that SLBC Cell has designed the following format for collecting data on SHG and JLG separately and circulated to all banks for submitting the data within the time frame.

Quarterly Statement on NPA in SHG, JLG & MCG to be submitted to SLBC											
Name of the bank :											
Report as on :											
SHG				JLG Agri				Non Agri JLG /MCG			
Total outstanding No of a/c	Total outstanding Amount (Rs Lacs)	No of NPA A/c	Amount of NPA (Rs Lacs)	Total outstanding No of a/c	Total outstanding Amount (Rs Lacs)	No of NPA A/c	Amount of NPA (Rs Lacs)	Total outstanding No of a/c	Total outstanding Amount (Rs Lacs)	No of NPA A/c	Amount of NPA (Rs Lacs)

The forum requested all banks to submit the data within the time frame.

(Action: Banks)

3.3.10. NRLM (National Rural Livelihood Mission) Annual Financial Target - 2015-16

The forum noted the NRLM targets for 2015-16 and requested all banks to achieve the annual targets in time.

(Action: Banks)

3.3.11. NULM (National Urban Livelihood Mission) State Target - 2015 -16

The forum noted that NULM targets for 2015-16 allotted for Individual, Micro Credit Groups & SHGs provided in the annexure in the agenda & background notes. The forum noted the following.

- *The SULM will be processing the applications and forwarding to the Banks, by December 31st*
- *Banks to complete the sanction & Disbursement process by 2016 January 31st*
- *Margin to be fixed @ 5 % (as in SJSRY)*
- *Interest subvention shall not be provided up front .Instead, it will be credited to the account as and when received from the Urban Local Bodies*

NULM - charging interest and claiming interest subvention

- *Interest to be charged at applicable rates at monthly intervals.*
- *Regular subvention – ie. difference between actual interest charged & at 7% p.a. shall be claimed from Urban Local Body in the format prescribed @ monthly intervals by 10th of the succeeding month.*
- *ULB shall settle the claims on a quarterly basis.*
- *Interest subvention, claim, on receipt from ULB to be credited to loan account*
- *Additional Subvention @ 3 % for prompt repayment (only to women SHGs) – claim to be made to ULB after the liability in the loan account is cleared in full & credited to the running account of the WSHG on receipt .*

The forum adopted the procedure and requested all banks to achieve the annual targets in time.

(Action: Banks)

3.3.12. Issue and Activation of Rupay Cards

(Suggested by SLBC Cell on Directives from DFS)

The forum requested all banks to issue and activation of Rupay Cards have to be completed on a mission mode. All Banks are requested to organize camps in their branches to issue Rupay Cards. The forum noted the BSBDA Rupay Card Status as on 18.11.2015 provided in the annexure.

(Action: Banks)

3.3.13. Inconsistency in reports for Financial Literacy activities conducted by Financial Literacy Centres (FLCs) & Rural Branches (Suggested by RBI)

The forum requested Controlling Banks of FLCs and Rural branches to check the data for accuracy before forwarding it to SLBC for consolidation and onward transmission to RBI.

Controlling Banks to strictly adhere to the timeline prescribed by SLBC.

(Action: Controlling Banks of FLCs & Rural Branches)

3.3.14. Printing of bank forms used by retail customers in local language (Suggested by RBI)

The forum noted that in terms of para 4.3 of RBI Master Circular No: RBI/2015-16/59 DBR No. Leg. BC. 21/09.07.006/2015-16 dated July 1, 2015, banks to ensure that banking facilities percolate to the vast sections of the population, banks should make available all printed material used by retail customers including account opening forms, pay-in-slips, passbooks, etc., in trilingual form i.e., English, Hindi and the concerned Regional Language.

The forum requested all banks to ensure compliance to the above instructions on availability of printed material in trilingual form to SLBC.

(Action: Banks)

4. Review of Performance under Priority Sector Advances

5. Review of Performance under Special Focus Programmes

6. Review of Performance of the Banking Sector

The forum concurred with the review of the performance under various sectors as at September 2015 Quarter provided in the background notes supplied.

The 117th meeting of SLBC, Kerala concluded with the above deliberations.

Dr. T. V. Duraipandi, Deputy General Manager, Canara Bank proposed vote of thanks.

LIST OF PARTICIPANTS

CHAIRMAN OF THE MEETING

Sri. Rakesh Sharma

Managing Director & CEO, Canara Bank

GOVERNMENT OF KERALA / GOVT. OF INDIA / DEVELOPMENTAL AGENCIES

- | | |
|-------------------------------------|---|
| 1. Dr. A. Alok Sheel, IAS | Additional Chief Secretary (Planning), Govt. of Kerala |
| 2. Sri. Subrata Biswas, IAS | Additional Chief Secretary (Agriculture), Govt. of Kerala |
| 3. Sri. James Varghese, IAS | Principal Secretary, Local Self Government Department |
| 4. Sri. B. Srinivas, IAS | Secretary, Higher Education Department |
| 5. Sri. Ashok Kumar Singh, IAS | Additional Mission Director, PMJDY, Ministry of Finance |
| 6. Sri. K. V. Mohan Kumar, IAS | Commissioner for Rural Development |
| 7. Sri. K. Gopalakrishna Bhatt, IAS | Director, SC Development Department |
| 8. Smt. Rachel Varghese | Additional Secretary, Revenue Department |
| 9. Sri. Johnny K. | Deputy Secretary, Agriculture Department |
| 10. Sri. Udhayan C. C. | Deputy Secretary, Finance Department |
| 11. Smt. Manju S. | Deputy Secretary, Revenue Department |
| 12. Sri. Rajesh Kumar M. | Under Secretary, ST Development Department |
| 13. Sri. V. K. Vijayan | Addl. Development Commissioner for Rural Development |
| 14. Sri. P. K. Mohanan | Joint Development Commissioner for Rural Development |
| 15. Sri. R. Ajithkumar | Director of Agriculture |
| 16. Dr. K. K. Jayaraj | Additional Director of Animal Husbandry |
| 17. Sri. S. Thulaseedharan | Additional Labour Commissioner, Dept. of Labour & Skills |
| 18. Sri. P. K. Sajan Kumar | Joint IG of Registration, Registration Department |
| 19. Smt. Sheela P. | Additional Director, State Horticulture Mission |
| 20. Sri. V. Prakash Tampi | Joint Director of Agriculture |
| 21. Sri. M. Subramanian | Deputy Director of Agriculture |
| 22. Sri. Sunil P | Deputy Director of Industries & Commerce |
| 23. Smt. Mary Kusumam | Deputy Director of Handloom & Textiles |
| 24. Smt. Smitha B.S. | Deputy Director, Fisheries Department |
| 25. Sri. I. Jawahar | State Director, KVIC |
| 26. Sri. K. Satheesh Kumar | Deputy Director, KVIB |
| 27. Dr. A. H. Shajil | Assistant Director of Animal Husbandry |
| 28. Sri. K. S. Santhalingam | Assistant Director, MSME Development Institute |
| 29. Sri. Premnath Ravindranath | General Manager, KFC |
| 30. Smt. Deepa Sivadasan | Divisional Manager, LIC of India |
| 31. Sri. Rajesh D. | Regional Manager, AIC of India Ltd. |
| 32. Sri. V. Krishnan Nair | Assistant Manager, United India Insurance Co. Ltd. |
| 33. Sri. Murugan G. | Nodal Officer (Kiosk Banking), Akshaya |
| 34. Sri. Naushad P. | SRP, UIDAI |
| 35. Sri. Henry Thomas | Extension Service Officer, Coir Board |
| 36. Sri. B. Sunilkumar | Inspector, Coir Board |
| 37. Sri. Sivalal M. | Research Officer, Planning & Economic Affairs Dept. |
| 38. Sri. Pradeep R. | Nodal Officer, KVIC |
| 39. Sri. Nizar A. | Jr. Superintendent, ST Development Department |
| 40. Sri. Rahul K. | Kudumbashree Mission |

RESERVE BANK OF INDIA

- | | |
|-----------------------------|---------------------------|
| 1. Sri. Nirmal Chand | Regional Director |
| 2. Sri. C. Saravanan | Deputy General Manager |
| 3. Sri. K. R. Radhakrishnan | Assistant General Manager |
| 4. Smt. V. Dhanya | Assistant Adviser |
| 5. Sri. Pravin M. S. | Assistant Manager |

NABARD / SIDBI

- | | |
|-----------------------|-----------------------------------|
| 1. Sri. Ramesh Tenkil | Chief General Manager, NABARD |
| 2. Sri. Venu S. Menon | Assistant General Manager, NABARD |
| 3. Smt. Sara Chacko | Assistant Manager, SIDBI |

STATE BANK GROUP

- | | |
|-----------------------------|--------------------------------|
| 1. Sri. Badal Chandra Das | Chief General Manager, SBI |
| 2. Sri. B. Hari Prasad | Deputy General Manager, SBI |
| 3. Sri. R. Mathialagan | Assistant General Manager, SBI |
| 4. Sri. K. Gurusamy | Assistant General Manager, SBT |
| 5. Sri. Anil Kumar A. K. | Chief Manager, SBT |
| 6. Sri. R. Ganesan | Chief Manager, SBBJ |
| 7. Sri. I. S. Nageswara Rao | Branch Manager, SBM |
| 8. Sri. Sam Robert | Branch Manager, SBH |

PUBLIC SECTOR BANKS

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| 1. Sri. N. Sai Prasad | Chief Regional Manager, Indian Overseas Bank |
| 2. Sri. U. V. Rajanikanth Rao | Deputy Regional Head, Union Bank of India |
| 3. Sri. U. Dinesh Pai | Deputy General Manager, Syndicate Bank |
| 4. Sri. S. Sundararaj | Deputy General Manager, Indian Bank |
| 5. Sri. B. Balakrishnan | Assistant General Manager, Union Bank of India |
| 6. Sri. Sasikumar Kurup | Assistant General Manager, Bank of India |
| 7. Sri. Sandeep S. Nair | Assistant General Manager, IDBI Bank |
| 8. Sri. S. Venkataraman | Chief Manager, Bank of Baroda |
| 9. Sri. Jayaprakasan P | Chief Manager, Central Bank of India |
| 10. Sri. N. Subhramanyam | Chief Manager, Vijaya Bank |
| 11. Sri. Y. Mathew | Chief Manager, Corporation Bank |
| 12. Sri. K. V. V. S. Prasad | Chief Manager, Andhra Bank |
| 13. Sri. Manish Pillay | Chief Manager, Allahabad Bank |
| 14. Sri. K. Ramesh | Chief Manager, Oriental Bank of Commerce |
| 15. Sri. A. J. Vaidyanathan | Chief Manager, UCO Bank |
| 16. Smt. Jayasree V. R. | Chief Manager, Bharatiya Mahila Bank |
| 17. Smt. G. Srividya | Chief Manager, Dena Bank |
| 18. Sri. Biju Kumar D. S. | Senior Manager, Indian Bank |
| 19. Sri. S. Jayasree | Senior Manager, Syndicate Bank |
| 20. Sri. M. R. Maniam | Senior Manager, Union Bank of India |
| 21. Sri. E. V. Sudhakaran | Senior Manager, United Bank of India |
| 22. Sri. Adalarasan S. | Manager, Corporation Bank |
| 23. Smt. Yamini S. Kumar | Branch Manager, Bank of Maharashtra |
| 24. Sri. N. S. Subramanian | DCO, Central Bank of India |

CONVENOR BANK (CANARA BANK)

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| 1. Sri. N. Sivasankaran | Convenor, SLBC & General Manager |
| 2. Sri. M. G. Bhat | General Manager |
| 3. Smt. G. K. Maya | Deputy General Manager |
| 4. Sri. K. Hariharan | Deputy General Manager |
| 5. Dr. T. V. Duraipandi | Deputy General Manager |
| 6. Sri. H. Harikumar | Divisional Manager |
| 7. Sri. George Mathew | Divisional Manager |
| 8. Sri. G. Nandakumar | Senior Manager |
| 9. Sri. N. Prasanth | AEO |
| 10. Smt. Nisha V. L | Officer |

REGIONAL RURAL BANK

1. Sri. K. V. Shaji Chairman, Kerala Gramin Bank

PRIVATE SECTOR BANKS

1. Sri. K. I. Varghese Chief General Manager, Federal Bank
2. Sri. P. B. Krishnadas Deputy General Manager, South Indian Bank
3. Sri. M. Muraleedharan Deputy General Manager, Dhanlaxmi Bank
4. Sri. B. Shajahan Assistant General Manager, Catholic Syrian Bank
5. Sri. Ratish Kalapurayil Assistant General Manager, ICICI Bank
6. Sri. K. P. Koya Assistant General Manager, Karur Vysya Bank
7. Sri. G. Chandra Regional Manager, Tamilnad Mercantile Bank
8. Sri. Muthuvalliappan Kathiresan Assistant Vice President, Indus Ind Bank
9. Sri. Jithesh Janardhanan AVP, HDFC Bank
10. Sri. Vikram Singh Relationship Executive, Jammu & Kashmir Bank
11. Sri. Shibu Thomas Govt. Business Head, Federal Bank
12. Sri. Hariharan J. K. Manager, Tamilnad Mercantile Bank
13. Smt. Sobha Manoj Manager, ICICI Bank
14. Sri. Chandrakant Kamath Manager, Axis Bank
15. Sri. Royson Francis RSM, Indus Ind Bank
16. Sri. T. S. Venkata Subramanian Manager, City Union Bank
17. Sri. Rakesh V. G. Officer, Karnataka Bank

CO-OPERATIVE BANKS

1. Sri. V. Prabhakaran Nair General Manager, Kerala State Co-operative Bank
2. Smt. Aparna Prathap General Manager, KSCARD Bank
3. Sri. G. Gopakumar Deputy General Manager, Kerala State Co-operative Bank
4. Smt. Brinda R. Agricultural Officer, KSCARD Bank

LEAD BANK OFFICES

1. Sri. P. R. Unnikrishna Pillai LDM, IOB, Trivnadrum
2. Sri. D. Sukumar LDM, Indian Bank, Kollam
3. Sri. Vasudevan K. S LDM, SBT, Pathanamthitta
4. Sri. G. Ravikumar LDM, SBT, Alappuzha
5. Sri. Raju V. K. LDM, SBT, Kottayam
6. Sri. M. Mathialagan LDM, Union Bank of India, Idukki
7. Sri. Anilkumar V. LDM, Union Bank of India, Ernakulam
8. Smt. Annamma Simon LDM, Canara Bank, Thrissur
9. Sri. Pradeep K. S. LDM, Canara Bank, Palakkad
10. Sri. K. Abdul Jabbar LDM, Canara Bank, Malappuram
11. Sri. K. Bhuvanadas LDM, Canara Bank, Kozhikode
12. Sri. M. V. Ravindran LDM, Canara Bank, Wayanad
13. Sri. P. Santhosh LDM, Syndicate Bank, Kannur
14. Sri. N. K. Aravindakshan LDM, Syndicate Bank, Kasaragod