

MINUTES OF THE 107th MEETING OF STATE LEVEL BANKERS' COMMITTEE, KERALA

Held on 18.09.2012 (Tuesday)
at Hotel Residency Tower,
Government Press Road, Trivandrum

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

Sri. G. Sreeram, General Manager, Canara Bank & Convenor, SLBC welcomed the participants to the 107th meeting of SLBC Kerala. He informed that the SLBC forum has been undertaking its duties effectively by coordinating the functioning of the Banking Sector and fine-tuning it with the priorities of the Government. The forum has been actively assisting the State Government in its endeavor for upliftment of the vulnerable sections of the society. It is gratifying to note that a cordial and mutually supporting relationship continue to exist between Banks and the State Government in Kerala, which is yielding rich dividends for the common people in the state.

He then highlighted the performance of the Banking sector in the State as at June 2012.

- The state had crossed numerous milestones during the first quarter of the current financial year. To name a few of them....
 - Total business of the commercial banks crossed Rs.3,50,000 crore mark
 - Total branch network crossed 5000 mark.
 - Total deposits crossed Rs.2, 00,000 crores mark.
 - Total advances crossed Rs.1, 50,000 crores mark.
 - NRE deposits crossed Rs.50,000 crores mark.
- The banking sector in the State has shown good progress under all fronts during the period June 2011 to June 2012, with an impressive growth rate of 24%. During the current fiscal, Commercial Banks opened 93 new branches in the State which took the total tally to 5004 branches at June 2012.
- The total deposits of banks in the State grew by 25.66% during the period June 2011 to June 2012. The resources mobilized by banks in Kerala as at June 2012 were at Rs. 2,09,490 crores with a net accretion of Rs. 11,933 crores during the first three months of this financial year.
- A review of the domestic deposit growth during the year reveals that the share of Domestic Deposits in the State's total deposits mobilized has slightly declined and is having a share of 73.43 % of total deposits as at June 2012. The domestic deposits reached a level of Rs. 1,53,827 crores. NRE deposits had shown faster growth momentum during the year ending June 2012. The Non-Resident Deposits of the Commercial banks in Kerala recorded an addition of Rs.17,107 crores during the period June 2011 to June 2012. The Non Resident deposits reached a level of Rs. 55,663 crores against the June 2011 level of Rs. 38,556 crores. It constitutes 26.57 % of the total resources mobilized by banks in the State.

- Total bank credit of Commercial banks in Kerala grew by 21.82% during the period June 2011 to June 2012 and reached a level of Rs. 1,51,999 crores by the end of June 2012 with an addition of Rs.27,230 crores.
- Nearly 50% of the state's population depends on Agriculture. It is heartening to note that the total outstanding credit under Agriculture in the State has reached Rs 38,661 crores as at June 2012, a share of 25.43 % of total credit. The quantum addition made was to the tune of Rs.11,431 crores during the period June 2011 to June 2012. The share of agriculture to total advances had shown a sharp increase of 361 basis points from the June 2011 level.
- The Credit Deposit Ratio of banking sector is considered as one of the strong indices of economic activity in any State. The Credit Deposit Ratio of Kerala's banking sector had shown a decline during the first three months of the current fiscal and had reached a level of 72.56 % from the level of 75.57 % recorded during March 2012.
- The C:D Ratio of Rural and Urban areas of the State is well above the mandatory norm of 60% and it is highest in urban centres at 92.19%. Again the CD ratio of RRBs is the highest at 108.72 %. In rural areas the public sector Banks have shown a CD ratio of more than 116 % where as for Private Sector Banks the same is only 75.42%. The branch network of Private sector banks are more in rural areas as compared to public sector banks, they should give focused attention to improve from this level in the coming quarters.
- The performance under Annual Credit Plan is reckoned as a direct measure of priority credit deployment. The total amount of priority credit disbursed in the State as at June 2012 was Rs. 15,470 crores. This is 23 % of annual target of Rs 67,124 crores. This has recorded 24% increase over the disbursement of Rs.12,476 crores made for the same period during last year. The percentage achievement in Agriculture is 27.46 % and tertiary sector is 20.41% .The only area of concern is the secondary sector where achievement is only 12.96 % of the target. However quantum wise there is a 35% growth in this sector which has increased from the level of Rs.451 crores as at June 2011 to Rs.610 crores as at June 2012. One of the reasons for this could be that sub segments like Retail trade, Small Business, Professional & Self Employed and SRTO which presently qualify to be classified under SME segment are getting reported under tertiary sector due to continuation of old LBR reporting format. Hence the performance which ought to have come under secondary sector is getting reflected under tertiary sector. Though SLBC cell had directed all the LDMs to give a consolidated figure for each district with correct classification as per the extant MSME guidelines, the same is not submitted by any of the LDMs. He requested LDMs to give the amended figure also to SLBC cell henceforth in each quarter so that the factual position can be reviewed in SLBC meetings.
- The annual growth in terms of outstanding under Priority Sector advances from June 2011 to June 2012 was Rs. 17,680 crores, recording a growth rate of 25.23%. The growth in Weaker Section advances was Rs. 10,423 crores, a phenomenal growth rate of 51%. Weaker section advances constitute 20.34 % of total advances which is well above the bench mark National norms of 10%.
- The priority sector advances in the State of Kerala takes a share of 57.73% of total advances as at June 2012 which is well above the goal of 40 % fixed by Reserve Bank of India.

- The DRI advances as at September 2011 recorded growth by Rs. 15.54 crores Y-o-Y. The level of DRI advances is 0.03% of gross credit which is much below the mandatory level of 1 %. The Banks in the State & SLBC should take a very serious view on this and draw suitable strategies and action plan to improve from the current level.
- Banks in Kerala have an outstanding level of Rs.3,696 crores under advances to SC/ST beneficiaries as at June 2012. The outstanding loan to women beneficiaries of the state as at June 2012 was Rs 22,880 crores which form 15.05% of total advances and Rs.52,876 crores to Minority communities which forms 60.26 % of Priority Sector advances.
- Micro credit absorption in the State has been showing very good progress. 96,265 SHG loan accounts are outstanding in the books of accounts of banks with a credit outlay of Rs.1180 crores as at June 2012.

Sri. K.S. Prabhakara Rao, General Manager, Canara Bank, in his address greeted all and extended a very warm welcome on behalf of the State Level Bankers' Committee (SLBC), which has become an active partner in the development journey of the State of Kerala.

He congratulated the Government of Kerala for successfully organizing the “Emerging Kerala Meet” that could generate projects with outlay of over Rs. 40,000 crores of investment in the State. He requested all the fellow Bankers to tap the lending opportunities emerging out of this novel initiative of State Government.

He then touched upon the important aspects that emerged out of the interaction of Hon’ble Finance Minister with CEOs of banks in the meeting held recently which covered the following points:

- Protecting current employment and boosting employment in small & medium enterprises so as to avoid serious adverse socio-economic consequences.
- Assisting farmers affected under natural calamities so that they do not go into default. Government of Kerala had recently declared 4 districts in the State as drought affected.
- All existing and new KCC are required to be converted into ATM cum Debit Card. A timeline needs to be drawn up.
- Banks are required to address their Branch Managers for smooth sanction & disbursement of Education Loans to deserving students and regularly monitor their progress.

He appealed to the members of SLBC to take this message forward and try to implement the same in letter and spirit.

He then highlighted the following points for the immediate attention of the forum.

- Banking sector of the State had outperformed the national average and recorded a healthy growth rate of 24 % under total business during the period June 2011- June 2012.
- Credit Deposit Ratio as at June 2012 had declined slightly compared to March 2012 figure due to inflow of NRI deposits. The duty of banks is to increase lending of their funds for improving the CD Ratio.
- Priority Sector Lending of the State grew by 58.17% of total advances against the mandatory norm of 40%.

- State has achieved 23% for the ACP target for June 2012 quarter. Banks have to initiate necessary steps to increase the achievement further.
- The achievement under the secondary sector is only 12.96 %. With the initiatives taken by State Government, bankers would get good investment opportunities and if the projects could be taken forward, naturally banks would get the opportunity to support this sector. Banks have to concentrate on Secondary and Tertiary sectors.
- Another priority of the State is Financial Inclusion. While congratulating the banks on the achievement for covering all the villages above 2000 population with banking outlets, he observed that out of the 120 villages, brick & mortar branches were started in 17 villages, USBs opened in 54 villages and the remaining 49 villages are under BC model. As per the direction from Ministry of Finance, backward districts with population above 5000 and other districts with population above 10000 are to be covered with bank branches before 30.09.2012.
 - SLBC had pushed on the important programme – “One account per family”
 - Efforts have been taken to cover urban population under financial inclusion so as to ensure 100% banking facility.
 - Pilot project of Meaningful Financial Inclusion implemented in Ernakulam district is monitored by RBI, Kerala. RBI Governor is likely to visit Kerala on 22.11.2012 for formal declaration of the same. The model implemented in Ernakulam district would be replicated in other districts in the Country.
- Both State Government machinery and banks have to take initiatives for successful coverage of EBT system in all districts. EBT would happen only after integrating the Government treasury with banks. Government of Kerala has to speed up the process for successful implementation of the EBT system.
- Referring to Agriculture lending, he informed that in Karnataka a project called “Boomi bank integration” had been implemented through which Branch Manager would be able to lend to the farmers sitting at their office itself. Karnataka State had digitalized all the records and provided the same to banks. Branch Manager would be able to see the landholding details of farmers in the computer and thereafter he would be able to create charges also. He added that a team of officials from Andhra Pradesh had visited Karnataka to study the functioning of the system implemented in the State. He made an appeal to the Government of Kerala to create similar facility in Kerala also so as to enable coverage of more farmers.

Sri. K. M. Mani, Hon’ble Minister for Finance, Government of Kerala who inaugurated the proceedings touched upon the following points:

- Emerging Kerala meet held in Ernakulam was a grand success wherein good numbers of projects were presented and Government of Kerala would clear those projects after the approval of the cabinet. Banks in the State have to extend wholehearted support in a big way to these projects according to the clearance given by the State Government.
- Reserve Bank of India had reduced the CRR and hence requested banks to reduce the interest rate proportionately.
- He sought the wholehearted co-operation of banks towards implementation of the interest subsidy programme proposed by Government of Kerala for Education loans availed during the period 2004-2009.

- He requested all banks to treat Education loans under Management Quota at par with merit quota.
- He then sought wholehearted support from banks towards the Kerala State Entrepreneur Development Mission launched by Government of Kerala for supporting to 50,000 educated unemployed youth. Training for the first batch had been completed and Government had given necessary loan assistance to 241 entrepreneurs. He added that the training for the second batch had already started. He made an appeal that the interest rate to be charged for loans these loans shall be only at the base rate of respective banks.
- In the budget for 2012-13, Government of Kerala had announced a skill acquisition programme. Vocational training would be included as part of the curriculum. Education Department had taken steps to enter into MoU with industrial groups. They would approach banks for necessary funds for implementing the programme which may be acceded to.

Sri. V. S. Senthil, IAS, Principal Secretary, Planning & Economic Affairs Department, Government of Kerala in his address, highlighted the three major positive developments that would lift the sentiments of investors, banking community as well as Government in terms of bankable projects.

- New signs of traction on the policy front announced by Government of India during the last week both in terms of commitment to contain fiscal deficits and pushing forward the reforms that would improve and enhance the investment climate of the country.
- Emerging Kerala meet held would throw up huge opportunities for banks in the State in SME as well as infrastructure sectors.
- RBI policy had been reviewed the previous day wherein RBI has been cautious in keeping check on the interest rates. The decision on the CRR would certainly increase the liquidity available to the banks for their lending operations.

He then touched upon the following points.

- Kerala has 25% growth, year on year basis and there was good progress in terms of lending operations in all the sectors.
- In the first quarter, GDP at national level recorded only about 5.5%. The new draft of 12th plan document which was discussed during last Saturday indicated an expectation of 8.25% growth rate. All out efforts would be done by one and all towards its realisation.
- Credit Deposit Ratio in the State is an area of concern and is not comparable with other States; he suggested an increase of 10% more so as to reach 85% at the end of the financial year.
- Government of Kerala is in agreement with the terms of the policy on SME and this envisaging increasing more number of employment opportunities and protecting the existing employments.
- Providing KCC to all eligible farmers in a fixed timeline.
- Government of Kerala is committed to integrate their Treasury network with banking sector so that all the cash transfers would be done through this network.
- He hoped that all the pending issues would be sorted out before the next SLBC meeting.

In conclusion, he said that SLBC is a co-ordination forum where Government policies and banking operations would be converted into some lendable programmes so as to increase the Credit Deposit Ratio in the State.

Sri. Salim Gangadharan, Regional Director, Reserve Bank of India in his address highlighted the following points.

- Achievement under Annual Credit Plan for June 2012 quarter stood at 23%. Credit absorption capacity is relatively low as compared to other quarters. He congratulated the efforts made by banks in Kerala and the commitment in particular towards the development initiatives taken by Government of Kerala.
- Investment credit under Agriculture sector is not encouraging.
- There are various constraints regarding KCC :
 - (i) The issue regarding implementation of Service Area Approach was raised by the Chief Minister and Finance Minister during the recent meeting with RBI Governor on 13.08.2012. RBI Governor had clarified that there was no such restriction of Service Area for KCC. SLBC has to deliberate on this matter and issue proper clarification.
 - (ii) There is a natural instinct on the part of the borrowers that interest subvention is not available to private sector banks. He requested all the banks to deliberate the issue and make an enduring & sustainable decision for pushing KCC in Kerala.
- Referring to SME exposure of the banking system, he pointed out that there is absolute fall of Rs. 650 crores as at June 2012 quarter. Government of Kerala had given focussed attention for the development of SME sector. All banks ought to perform little more in this area, especially in the context of KSEDM implemented by the Government of Kerala. Banks should participate in this endeavour so as to build up a healthy SME portfolio in the State.
- Study on sick MSME units done by RBI had been circulated to banks. Banks have to focus more on SME segment and follow the rules & norms. Banks should undertake study on the viability of the sick units and extend adequate financial support for nursing the units so identified.
- Meaningful Financial Inclusion implemented in the State would be dedicated to the nation by 22nd November, 2012 and this would be a history making by all banks. As per the base line survey, there are large numbers of inoperative accounts. Banks at ground level has to create a capacity for promoting banking transactions.
- Non-availability of insurance products and remittance facility are major constraints. Now LIC has come forward with a micro insurance product, details would be presented in this meeting.
- Ministry of Agriculture is proposing to provide EBT facility to all farmers. Government of Kerala is intending to make all the labour welfare payments through EBT system.
- One critical aspect brought to the notice of the RBI by UIDAI is that most of the banks in the State particularly in Ernakulum district are not having the software capability of integrating bank account with ADHAR number. He requested all banks to resolve this issue before 22.11.2012.
- Kerala State is far ahead in establishing Financial Literacy Centres at LDMs office in all districts. Some of the District is having FLCs at block level also.

Sri. T. K. Jose IAS, Chairman, Coconut Development Board (CDB) in his address highlighted the following:

- During the last one year, Coconut Development Board (CDB) had initiated many programmes in collaboration with banks for attracting more investments not only in Kerala, but also in Tamil Nadu, Karnataka & Andhra Pradesh for helping the coconut farmers in the State of Kerala. Collectively these 4 States account for around 90% of the coconut production in India. India tops in coconut productivity in the world and number 2 in production. In terms of processing and value addition, India is nowhere in the first 10 positions. He quoted the example of Srilanka where the total area under coconut is less than that of 4 districts in Kerala, but the exports of value added products is more than 4 times than that of India.
- In the Emerging Kerala Meet held at Ernakulam, half day session was on Agro processing and food processing wherein lot of enquiry on coconut based industries had been received.
- During the preparation for Budget 2012-13, CDB had requested all the south Indian States including Pondicherry to create certain policy measures including tax incentives so as to attract more investments in coconut sector. Three States have responded positively in which Kerala is leading. Out of the 9 points which had been raised by CDB, 8 points have been considered and declared by Government of Kerala in the Budget. One of the major items was to establish exclusive coconut parks - 3 coconut parks would be established in the State. Other point was to reduce value added tax of coconut based products from 13.5% to 5%.
- CDB would be providing 25% backend subsidy through banks to the tune of capital investment. Government of Kerala had declared in the Budget another 25% subsidy from State Government side also.
- In Kerala one exclusive park at Kuttiady, Kozhikode District with 135 acres of land would be ready for take off. In the other 2 places, State Government would be finalising the 100 acres of exclusive land with developed infrastructure like power, water, transportation plus common affluent treatment plant. This would be available to investors on long term lease basis. Other supporting factor would be 25 % extra subsidy.
- In the 12th Five Year Plan the proposal of CDB was to attract or invest in the Southern States by enhancing the rate of subsidy. At present a ceiling of Rs.50 lakhs per unit is fixed. For these two things, he expressed hopes that the 12th Five Year Plan would create an opportunity for working towards more industrialisation through coconut.
- Since last one year CBD had given more focus on collectivisation of coconut farmers. Coconut being a crop for small and marginal farmers in all the South Indian States, aggregation of area of production and aggregation for marketing & processing was a constrain. In order to address this particular issue, at Board level CDB had initiated 3 tier farmers collective starting with a coconut producers society which would be expected to have on an average 40-100 coconut farmers expecting an average of 5000-6000 yielding coconut trees in that area. Federating 15-25 of such coconut producer's societies having an average of 1 lakh coconut trees in the catchment area of a federation. Around 10 federations would be joining together forming a producer company. A producer company would be with around 10 lakh million yielding coconut trees in the catchment area. He was sure that this way of aggregation would initiate further processing, value addition and marketing.

- For capital formation, CDB had initiated a simple step that each coconut farmer would be supposed to contribute one coconut per tree per harvest. By way of this an average producer company with 10 lakh yielding coconut trees can be mobilised around Rs. 8 crores during one year. In the 12th plan CDB had already put forward 25% equity participation by State Government and another 25% by Central Government. The Vice Chairman, Planning Board has taken keen interest in this particular issue and a similar response is awaited from the Central Government. He expected that this would attract more credit from the banking sector.
- CDB had initiated filling up of critical gaps in coconut sector through trained workers. CDB had initiated a programme for overcoming the non availability of trained manpower in coconut sector called “friends of coconut tree”, which was presented in the SLBC meeting during the previous year. He informed with gratitude that out of the target of 5000 fixed, they have already crossed 6000 in Kerala. He informed that 12 other States also responded for training. At present CDB have expanded its training to Maharashtra, Goa, Karnataka, Andhra Pradesh, Tamil Nadu, Lakshadweep and Andaman & Nicobar Islands.
- During the recently concluded world coconut forum, people from 4 Asia Pacific Countries – Indonesia, Vietnam, Thailand & Malaysia wanted similar type of training. CDB had initiated training with the help of banks and at present the trained people are moving around with a 2 wheeler by availing loan. Lead Bank in Ernakulum had sanctioned loans for this purpose. He solicited wholehearted support from all the banks in the State. State Government had announced 25% of subsidy in the Budget.
- The most important function done by CDB is improving the production, productivity and processing facilities. CDB had initiated a separate technology mission for coconut in which scaling up of the technology and commercial applications of technology was undertaken by the Board. Initial research and development was done by CDB with own funds whereas commercial scaling up would be done only with the help of banks. CDB would undertake the projects with backend subsidy through the banks. A minimum 40% of bank loan would be a pre-condition for sanctioning subsidy and without a bank loan subsidy would not be sanctioned. This would be one opportunity for banks in participating in the programme. He informed with gratitude that no good projects were declined by banks till date. In case of any doubts CDB would be supporting with technical knowhow to banks.
- In order to follow up the Emerging Kerala requirements, for the next 2 months, 3 investment seminars would be conducted exclusively for coconut based food processing and coconut processing industries in Kozhikode, Trivandrum & Kochi. Similar exercises would be conducted in Tamil Nadu, Karnataka and Andhra Pradesh States also. CDB would require wholehearted participation from banks in this regard and invitation would be sent to banks.
- Training and capacity building are the major areas where the farmers’ collectives would require further advancement. Rather than totally depending upon the Government, CDB would expect support from Training Institutions of banks. Moreover, the training institutions in every district would be pooled together for a 5 year MoU between the coconut producer’s societies, CDB and the Management teaching & training institutions. Training had already been started in 8 districts. As such, CDB would be presenting before banks, well organised, well informed, inspired and trained organisation of

farmers so as to enable them to avail bank loan easily. The training and capacity building is one area where CDB is looking for collaboration with major training institutions of banks.

- The importance of coconut crop in Kerala is paramount in 3 districts. Coconut is the single largest crop contributing to the domestic economy of those districts. Further in 8 districts it is the second largest crop and one district it is 3rd largest crop and other 2 districts, Idukki and Wayanad may be in 5th & 6th position. Coconut would offer the best potential for which he sought adequate support & guidance from banks for extending projects for next 5 years of the 12th Five Year Plan.
- CDB had already sanctioned around 200 commercial projects under technology mission and all of them were financed by the banks. During 12th plan, CDB would expect an average of 3 fold increase in the allocation per annum.
- Unlike other crops making available the quality planting material is a big constraint in coconut sector. The constraint – that no rapid multiplication technologies under this segment exists. Therefore, CDB would be looking forward to ICMR, ICAR and all for getting more advance research as well as technology. A global coconut meet would be conducted at Kochi. The agency called COGEN is looking in to the issue.
- Coconut was being considered in Kerala as a coconut oil tree and copra tree. Coconut has much more potential and prospects. There are almost 20 other different products possible from Coconut rather than copra and coconut oil. CDB is trying to convince the people that coconut is not only a coconut making tree or copra making or coconut oil tree. With the support of technological advancement, he expressed hope that a revolution in coconut cultivation would be possible in the country. The other high value products could fetch excellent market in the domestic as well as international market. He then quoted an example “Neera” (palm sugar) made from coconut inflorescence. This is now made available from other counties in the market of the State. In Kerala it is coming under the Abkari Act and a policy regime from Government of Kerala would help in inviting investments to the tune of over Rs. 5000 crores to this segment.

Sri. M. Nandakumar IAS, Commissioner for Rural Development in his address touched upon the following points.

- RSETIs are to be setting up in all the 14 districts in the State. 8 districts have entered into agreement with respective sponsor banks and there are problems in 3 districts viz. Kozhikode, Kollam & Palakkad,
 - (i) In Palakkad District, land has been identified in Parali village, unfortunately on account of controversy over whether the land belongs to Panchayat or Government the process was delayed. The problem is settled now with a decision that Panchayat is fully competent to hand over the land to the bank for setting up RSETI.
 - (ii) In Kollam, land has been identified, but there is an issue as to whether the existing building has to be demolished or retained. Till this is resolved and got cleared the matter would be pending.
 - (iii) In Kozhikode, land had already been identified. Subsequently the same land has been earmarked for some other purpose. The issue is yet to be resolved.

He informed that Kerala, Karnataka and Andhra Pradesh states have received trophies from Ministry for Rural Development, Government of India during the last month for the excellent work done in setting up RUDSETI centres. Government has been alerted in this regard and all the existing problems would be resolved within two months, he assured.

- Referring the suggestion put forth by LDM Thrissur, in the agenda item, regarding imparting of training through RSETIs, he informed that in certain areas, more infrastructure facilities would be required than that in usual requirements viz. sophisticated technology or instruments would be required for the conduct of such training programmes. Those programmes alone would be entrusted to the district level training agencies. Other than that most of the training programmes would be handled by RSETIs. Department had already replied to LDM, Thrissur regarding the suggestions put forth by them.
- Government had started 4 virtual employment gateways in Trivandrum, Ernakulam, Thrissur and Palakkad districts. The Department had received money from State Plan fund and the essential purpose of starting the centres would be to draw up a database of all the skilled & semi-skilled workers in the State in the select districts. Within a year or two, the Department would require the help from banks i.e a book “VEGA” which is already approved by the working committee would be launched.
- As per the direction from Government of India Electronic Fund Management System would be implemented in 2 Grama panchayats ie. NREGA would be implemented in Clappana and Vembayam panchayats on a pilot basis. The Department have trained people in the grama panchayats also in this regard.
- Government is equipped with UID related payment system. The Department have made series of discussion with Deputy Director, UID and decided to select 3 districts viz. Ernakulam, Pathanamthitta, Wayanad for implementing the system. The Department would discuss the matter with UID again and evolve suitable strategy for proceeding further.
- SGSY scheme had been wound up and the new name is AJEEVIKA i.e NRLM. Unutilised funds under SGSY scheme would be allocated to AJEEVIKA. 181 applications were still pending with different banks under SGSY. The unutilized money that remained in banks would be located by the Department within a month and redeployed to existing ongoing schemes.

Dr. Devendra Kumar Dhodawat IAS, Secretary, SC/ST Development Department, in his address made a request that the data on SC/ST advances under KCC and Education Loan also may be provided in the background papers of SLBC. He informed that ST people in Idukki and Wayanad districts are downtrodden as well as ignorant section of the society. Banks in the State has to adopt a positive attitude towards these people and try to include them also under the financial sector as much as possible.

In his remarks, **Sri. V. K. Chopra**, Deputy Secretary, Department of Financial Services, Ministry of Finance, Government of India, highlighted the following points:

- During the meeting of CMDs with Hon’ble Finance Minister, the following concerns were expressed with regard to Education Loans :

- inordinate delay in taking decision
- sanctioning of loans which were once rejected which gives a bad signal.
- non sanctioning of loans for vocational courses.
- absence of an effective grievance redressal mechanism

The Ministry has fixed a target for Education loan and had given instruction to achieve the target by 30th September, 2012. Sri. Chopra requested SLBC to monitor these matters thereby ensuring the actual achievement under Education loans.

- SLBC forum has to sort out the issues in connection with the implementation of Financial Inclusion. The assistance from Government of Kerala would be required for sorting out the issues relating to e-payment by providing guidelines, linking of revenue records with banking system and linking of treasuries with the bank. Government Department concerned may look into the matter.
- As per the directives, opening of one account per family programme has to be implemented in a time bound manner. Under the service area plan, service area branch has to procure the voters list and ensure opening of accounts. This shall happen in urban centres also.
- Referring to roll out of branches he pointed out that under banked area with population above 5000 and other areas with population above 10000 should be covered with brick and mortar branches on or before 30.09.2012. In places where BCs are operating, one officer of the nodal branch has to visit on a particular day every week. It is reported that laptops are not provided to such field visiting officers and other formalities are yet to be complied with by banks.
- Roll out of ATMs, cash dispensers has to be done in a time bound manner.

In conclusion, he informed that Ministry of Finance has been monitoring these things and SLBC has to submit the updated figures of banks to the Ministry on a monthly basis. All banks have to draw up a time line for implementation of the Ministry guidelines.

Sri. K. R. Rao, General Manager, NABARD, in his address touched upon the following points.

- While disaggregating the data under credit flow to primary sector, it is shown that lending under primary sector stood at 11% of the total lending. Therefore, the lending process needs to be corrected.
- While looking at the agriculture gold loan portfolio, he suggested conversion of agriculture gold loan accounts into KCCs. The matter has to be looked into by banks.
- Aggregation of the farmers into producers organisation would definitely increase agriculture term loan and financing these groups would be easy.
- NABARD had issued invitations to banks and departments for the unit cost committee meeting scheduled on 26.09.2012.
- NABARD had a video conferencing on 11.09.2012 on Handlooms package which is being implemented in the State. Kerala is the first state that had entered into a MoU with societies. NABARD had received individual weavers claim from only 6 banks so far. Weaver's credit card is one area where we are lagging behind. Controlling Offices of banks have to look into the matter and rejection of applications may be communicated to the concerned.

- Recently NABARD, Head Office had issued a circular to RRBs and Co-operative banks on Financial Inclusion. NABARD would provide a fund support of Rs. 5 lakh per district.
- Referring to the digitalisation of land records, he informed that NABARD would be ready to support the State Government for implementing this project.

Speaking on the occasion, **Dr. M. Sreenatha Sastry**, Chief General Manager, State Bank of India highlighted the performance of SBI.

- Priority sector achievement is 59% as against the norm of 40%
- Weaker section achievement stood at 29 % as against the norm of 10 %.
- Under Financial Inclusion, out of the 12 villages allotted, brick & mortar branch opened in one village and USBs opened in 11 villages.
- SBI had given more thrust on KCCs
- It is proposed to open 450 ATMs, 38 branches during the year
- SBI, Kozhikode branch is going to celebrate 150 years and proposed to open new Administrative Office in Kozhikode.

Concluding his remarks, he committed that SBI would be involved in all round developments of the State and work in tandem with Government in this regard.

The forum then reviewed the district-wise position on Service Area Plan and GIS updation in the website with LDMs. All the LDMs assured that the GIS updation would be completed before the instant date and the details of people coming under comprehensive insurance plan would be collected after the DLRC/BLBC meetings of respective districts.

Regarding the data under comprehensive insurance plan, **Smt. Lekshmy Kylas**, Senior Divisional Manager, LIC of India assured the forum that the matter would be looked into.

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

1. ADOPTION OF MINUTES

The forum unanimously adopted the minutes of the State Level Review Meeting (SLRM) of SLBC, Kerala held on 3rd & 4th July 2012, which was forwarded to the members, vide Convenor's letter SLBC 38 1215 2012 KRA dated 6th August, 2012.

2. PRIMARY SECTOR

2.1. FRESH ISSUES

2.1.1. Agricultural Gold loan - Quick study by RBI (Suggested by Reserve Bank of India)

The meeting noted that during the Sub-Committee of SLBC, Kerala on Primary Sector Issues held on 07.08.2012, it was informed that during the recent visit of the Governor, RBI, serious concern was expressed over granting of agricultural Gold loans by banks. As per the direction

from RBI Governor, RBI, Regional Office, Trivandrum had conducted a study on the matter in select bank branches of public and private sector banks that revealed that banks are giving agricultural gold loan based on just the security of the collateral (gold), without obtaining the proof of land/cultivation and according to the scale of finance.

The meeting concurred with the views of the Sub-Committee and recommended that financing bank to ensure the following while granting agricultural gold loan in future:

- *End use is to be verified*
- *Scale of Finance to be adhered to*
- *Proof of ownership of land/cultivation of land to be obtained*
- *Field visit to be done by the bank officials, if possible.*

Sri. Salim Gangadharan, Regional Director, Reserve Bank of India advised all banks to make an internal assessment of their own and adhere to the RBI guidelines on agricultural gold loans in letter and spirit.

(Action: Banks)

2.1.2. Allocation of Agri. Term Loan (ATL) - Agency-wise target -2012-13 (Suggested by NABARD)

The meeting concurred with the views of the Sub-Committee of SLBC, Kerala on Primary Sector Issues that met on 07.08.2012 that SLBC would allocate the revised target for term loans agency wise. However, apprehension of the sub-committee that the enhanced target may affect the PLP and DCP already put in place was accepted. 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.

LDM, Trivandrum informed that credit linked schemes are not propagated for the last 5 years through Agriculture Department. Except, Coconut Development Board, no other Departments are having sizeable investment credit proposals.

Sri. Salim Gangadharan, Regional Director, Reserve Bank of India remarked that there should be a convergence of programmes and suggested to include State Planning Board also in the Sub-Committee.

Sri. T. K. Jose IAS, Chairman, Coconut Development Board suggested that commodity boards may also be made members in the sub-committee.

Sri. K. S. Prabhakara Rao, General Manager, Canara Bank requested all LDMs to invite representatives from these commodity Boards alternatively in DCC meetings.

The forum decided that Agriculture Department, Government of Kerala would convene a meeting with respective commodity Boards, Planning Board and Banks so as to identify and allocate the activities to be promoted under investment credit.

(Action: Agriculture Department/SLBC)

2.1.3. Mobile enabled KCC project (Suggested by NABARD)

The meeting noted that Agriculture Department, Government of Kerala had identified Sultan Bathery block for this pilot project. **LDM, Wayanad** informed that identification of participating bank have to be decided in DLRC meeting proposed to be held during the end of the month. SMGB and SBT agreed to participate in this project at Sultan Bathery.

Sri. T. K. Jose IAS, Chairman, Coconut Development Board suggested to include Palakkad District also for implementation of the scheme.

Sri. Salim Gangadharan, Regional Director, Reserve Bank of India suggested fixing a time frame for implementing the scheme.

(Action: LDM Wayanad / Agriculture Department)

2.1.4. Revised KCC Scheme (Suggested by NABARD)

The forum noted that Alappuzha and Palakkad districts were identified as pilot districts for implementing ATM enabled KCCs. The deadline for implementation was June 2012 as per ministry directives. SLBC had issued communication in this regard to Controlling Offices of all banks. Special DCC meetings have been conducted for the purpose in Alappuzha and Palakkad districts. The deadline for implementing the scheme in other districts would be September 2012.

The forum suggested that all banks may fall in with the recommendations of the revised KCC scheme and start implementing in all earnestness through out the State. Banks may confirm having come out with appropriate directions and procedures.

(Action: Banks)

2.1.5. E-payment Mechanism for Department of Agriculture (Suggested by Directorate of Agriculture)

The forum noted that during the Sub-Committee on Primary Sector Issues held on 07.08.2012 it was informed that banks are supporting the EBT mechanism. However, 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 confusion at a later stage.

The forum also concurred with the sub-committee 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.

Sri. C. R. Ramesh, 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 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 supporting the scheme for e-payment system.

The suggested holding separate discussions for streamlining the issue and hence instructed to have separate meeting for this.

(Action: Agriculture Department / Banks / SLBC)

2.1.6. Non payment paddy price to farmers by M/s. Civil Supplies Corporation
(Suggested by LDM, Thrissur)

The forum decided to take up the matter with Civil Supplies Corporation, Government of Kerala for early settlement of the issue. It also recommended that EBT system be implemented by Civil Supplies Corporation in this regard.

(Action: Civil Supplies Corporation)

2.1.7. Natural Calamity – Declaration of Trivandrum, Kollam, Idukki & Wayanad Districts as Drought affected

The forum advised LDMs of Trivandrum, Kollam, Idukki & Wayanad districts to conduct special DCC meeting to discuss and implement various relief measures to be undertaken by the bank branches in the affected areas as per RBI guidelines. Banks are requested to extend all possible relief measures to the borrowers in the affected district in tune with the RBI guidelines.

(Action: LDM Trivandrum, Kollam, Idukki, Wayanad / Banks)

2.2. PENDING ISSUES IN SLBC & ACTION TAKEN REPORT

2.2.1. Non availability of Interest subvention incentive to farmers availing Short Term Crop Loans (KCC) from KSCARDB

The forum decided to carry forward the issue and pursue the matter with Government of India.

(Action: SLBC)

2.2.2. Stamp Duty exemption for Agricultural loans availed from Commercial Banks

The representative from **Taxes Department** informed that financial implication on the matter is under the consideration of Finance Department.

The forum decided to pursue the matter with Taxes Department, Government of Kerala.

(Action: Taxes Department)

2.2.3. Financing of tenant farmers/oral lessees and share croppers

Sri. C. R. Ramesh, Additional Director of Agriculture, Government of Kerala informed that Government has not issued any orders. Government is implementing one contract farming scheme which was informed to SLBC. He added that RKBY scheme would be implemented by the Government during the current year on the same line as that for tenant farmers.

Sri. T. K. Jose IAS, Chairman, Coconut Development Board clarified that since the matter falls under the Kerala Land Reforms Act, a policy decision may have to be taken by the Government. He suggested having a meeting with Revenue Department, Finance Department and Chief Minister for early resolution of the matter.

The meeting decided to carry forward the issue and pursue the matter with Government of Kerala.

(Action: Agriculture, Revenue Departments /SLBC)

2.2.4. Non availability of Interest Subvention for Short Term Crop Loans (KCC) granted by Private Sector Banks

The forum noted that the issue had been taken up with Government of India umpteen numbers of times. Since Government of India had not taken any policy decision in this regard so far, it was decided to drop the issue.

2.2.5. Widening and deepening the spread of Kisan Credit Card (KCC)

The forum noted the developments provided in Annexure 10.43. However, item under serial No.4, 6 & 12 are yet to be complied with.

(Action: Banks /SLBC)

2.2.6. Pilot project for registration of farmers in Wayanad District

Sri. C. R. Ramesh, Additional Director of Agriculture, Government of Kerala informed that so far 11,33,532 farmers have been registered under the scheme in the State. In Wayanad district alone, 1,05,010 farmers have been registered under the scheme. The time for registration process was extended up to 16.09.2012. Only 25% farmers have been registered so far. The latest details are being collected by the Department.

The forum decided to carry forward till Agriculture Department provides the complete data after registration process.

(Action: Agriculture Department)

2.2.7. Initiatives to compile development schemes implemented through various developmental agencies

The forum reviewed the progress and noted that the scheme details have not been provided by the nodal agencies concerned to NABARD. Hence, it requested all Departments/agencies to submit their schemes to NABARD, Regional Office for compilation as suggested.

The forum decided to carry forward till compliance is ensured in the next meeting.

(Action: Nodal Agencies/Departments)

2.2.8. Debt Relief scheme for Fishermen - Government proposal for extending relief to loans availed from Nationalized/ Scheduled Banks

The forum noted that there was no representation from the Fisheries and decided to pursue the matter with the Kerala State Fishermen Debt Relief Commission for speeding up the process of providing the eligible list of beneficiaries for early arrival of the amount. In light of this, it was decided to carry forward the matter.

(Action: Kerala State Fishermen Debt Relief Commission)

2.2.9. Introduction of a Credit Guarantee Scheme for Agriculture Term Loans similar to CGTMSE

The forum decided to pursue the matter with Government of India.

(Action: Government of India)

2.3. INFORMATION NOTE

2.3.1. Potential Linked Credit Plans (PLPs) - co-terminus with the Five Year Plan period (Suggested by NABARD)

The forum noted the contents for adoption.

(Action: Banks / Development Departments)

3. SECONDARY SECTOR & GOVERNMENT SPONSORED SCHEMES

3.1. FRESH ISSUES

3.1.1. Handloom package (Suggested by NABARD)

3.1.1.1. Progress under Weavers Card

The forum noted that a large number of applications were getting rejected from banks as per the information given by LDMs of Ernakulam, Alappuzha and Kannur. Similarly it was also pointed out that there was lack of clarity about the scheme at branch level.

Sri. Sam C. Ittycheria, Director, Handloom & Textiles informed that the Directorate has not received any returned applications so far. He further clarified that at district level, DIC is the sponsoring agency for the scheme. Directorate had given clear cut guidelines to GM, DIC to this effect. He requested concerned LDMs to report the problems faced by them to Directorate of Handloom & Textiles so as enable him to issue necessary instructions to the GM, DIC of respective districts. He informed that in Trivandrum District more number of applications was pending with banks. More than 3400, 1440, 1800 & 1200 applications were pending with SBT, Syndicate Bank, Indian Bank and Indian Overseas Bank respectively.

LDM, Kannur informed that at district level representatives from the agency were not attending the BLBC meeting for follow up.

Sri. Sam C. Ittycheria, Director, Handloom & Textiles suggested that as per the Weavers Credit Card Scheme, cards are to be issued. Out of the 136 applications sanctioned, no banks have issued cards so far. He added that Government of India had given directions to the Directorate to provide a sample card issued by banks in the State.

Sri. Salim Gangadharan, Regional Director, Reserve Bank of India requested banks to give more focus to this scheme and to initiate steps to dispose off the applications at the earliest. He requested the LDMs to monitor the scheme at the district level.

(Action: Banks/LDMs)

3.1.1.2. Waiver of loans for individual weavers

The forum decided to fix the dead line as 30.09.2012 for banks to submit claims under waiver of individual loans in the prescribed format. NABARD suggested submitting a soft copy along with the hard copies.

(Action: Banks)

3.1.2. Implementation of loan waiver under financial package - Revival, Reform and Restructuring package for Handloom sector (Suggested by Directorate of Handloom & Textiles)

The forum accepted the view of the sub-committee that Banks shall identify the beneficiaries under the scheme as per guidelines and prefer claims with NABARD Regional office.

(Action: Banks)

3.1.3. Issuance of Weavers Credit Card (Suggested by Directorate of Handloom & Textiles)

The forum advised controlling offices of all Banks & LDMs to ensure issuance of weavers' credit card and to monitor/follow up for early disposal of applications on merit. It suggested that the item may be merged with 3.1.1.1.

(Action: Banks/LDMs)

3.1.4. Empowered Committee on MSME Sector Meeting (Suggested by MSME Development Institute)

The forum concurred with the views of the sub-committee and suggested that appropriate action be taken at Corporate Office level of individual Banks. However, it suggested that all the aspects pointed out therein need to be adequately complied with.

(Action: Banks)

3.1.5. Providing loans under KSEDM at base rate by banks (Suggested by Finance [Planning A] Department, Government of Kerala)

The forum advised the member banks to take up the matter with Corporate Offices of respective banks and to provide confirmation at the earliest for speedy implementation of the programme.

(Action: Banks)

3.1.6. Non submission of SJSRY data by M/s Kudumbashree (Suggested by SLBC Cell)

Sri. Liby T. Johnson, Programme Officer, Kudumbashree informed that delay for submission of SJSRY data was due to restructuring of SJSRY guidelines by Government of India. State Guidelines on SJSRY is effective from 2011-12. The work on the revision of the MIS in tune with new guidelines is in progress. Past two quarters the MIS was not fully updated and is in the process of fully streamlining it. From the current quarter onwards Kudumbashree would be in a position to provide the data on SJSRY to SLBC.

(Action: Kudumbashree)

3.2. PENDING ISSUES IN SLBC & ACTION TAKEN REPORT

3.2.1. Review on Rehabilitation of Sick but Viable MSME units

The forum advised to the Industries Department, LDMs and Controlling Offices of banks to ensure prompt and proper reporting of data and to organize awareness camps for branch level functionaries at the districts.

(Action: Industries Department/ LDMs / Controlling Offices of banks)

3.2.2. Proposal to introduce penalty for delayed payment of premium for coverage under CGTMSE

The forum decided to pursue the matter with MSME Development Centre at Mumbai.

(Action: SLBC)

3.2.3. PMRY 2006–07 & 2007–08 - Non receipt of Subsidy

The forum noted that RBI had vide letter RPCD (T) No.LBS/172/03.02.02/2011-12 dated 07.09.2011 clarified the position. The same had been circulated to banks by SLBC.

Accordingly, banks have reportedly prepared claim in respect of accounts which are having outstanding equivalent to the subsidy portion.

The forum decided to pursue the matter with RBI.

(Action: Reserve Bank of India)

3.3. INFORMATION NOTE

3.3.1. Study on Acknowledging MSME Applications and on line Tracking of the same – Note submitted by RBI

The forum noted the contents for information.

(Action: Banks)

3.3.2. Study on Sick MSME Units – Note submitted by RBI.

The forum noted the contents for information.

(Action: Banks)

3.3.3. Financial assistance (Reimbursement schemes) for MSMEs - Note by MSME Development Institute

The forum noted the contents for information. The forum suggested that the matter be reviewed at district level.

(Action: LDMs/ Banks)

3.3.4. Implementation of PMEGP during 2012-13 – Note by KVIC

The forum noted the contents for information.

Sri. Radhakrishnan V, Assistant Director, KVIC informed that on 07.09.2012 KVIC had conducted a State Level Workshop at Thrissur wherein several issues were discussed.

A decision was taken in the workshop to expedite disposal of proposals received by banks and ensure achievement of targets on or before 31.12.2012.

(Action: Banks/ KVIC/ KVIB & DIC)

4. TERTIARY SECTOR & OTHER MATTERS

4.1. FRESH ISSUES

4.1.1. Financial Literacy Centres (FLCs) - Guidelines (Suggested by Reserve Bank of India)

In the forum, most of the LDMs reported that FLCCs established in the State were functioning well. Therefore, LDMs have given more concentration in establishing FLCs at block level.

Sri. V. Reveendran, Assistant General Manager, RBI informed that as per the guidelines of RBI, LDMs have to open FLCs attached to Lead Bank Offices.

However, RBI vide letter RPCD,CO.FLC.No,732/112.01.018/2012-13 dated 26th July, 2012 had clarified as below:

“The objective of advising banks to set up Financial Literacy Centres (FLCs) in all the LDM offices is to provide at least one FLC in each of the districts throughout the country. As such there is no restriction on opening of more than one FLC at district headquarter. On the other hand, it would be appreciable if banks setup more number of FLCs in a district at various locations i.e. district headquarters, block and village level. However, if a bank feels that one FLC at district headquarters is meeting the needs of the people and a separate FLC at LDM office may not be required at this stage, it may be ensured that all kinds of indoor and outdoor activities as envisaged in our guidelines dated June 6, 2012 are undertaken by the existing FLC.

Further in addition to above mentioned activities by the FLCs, all rural branches are required to undertake literacy and awareness activities independently as envisaged in the guidelines. Regarding opening of new FLCs, it is at the discretion of the bank to setup Financial Literacy Centres (FLCs) either through the Trust or by the bank or by both. However, erstwhile FLCCs, whether being run by Trust or by bank will henceforth be termed as Financial Literacy Centres (FLCs)”

The forum suggested that all banks that have opened FLCs are requested to submit the report on the functioning of their FLCs as per the format provided, to enable SLBC Cell to place the data in SLBC, in its next meeting for information.

(Action: LDMs / Banks)

4.1.2. The Action Points that emerged from the workshop conducted for Business Correspondents/ Customer Service Providers, Technology Service Providers and Bankers (Suggested by Reserve Bank of India)

The forum noted the contents for information requested banks to take action as appropriate wherever required.

(Action: Banks)

4.1.3. ATR on previous agenda points (Suggested by Planning & Economic Affairs (F) Department, Government of Kerala)

The forum noted that all the pending issues of SLBC had been placed in the agenda & background notes in a tabular form as suggested by Planning & Economic Affairs (F) Department. The forum decided to place the ATR on pending agenda items in the same format in SLBC in its future meetings.

*In view of the compliance assured, the forum decided to **drop** the item.*

4.1.4. Briefing on Mahila Kisan Sashaktikaran Pariyojana (MKSP) Project (Suggested by Local Self Government (DB) Department, Government of Kerala)

*Representative from Kudumbashree Mission made a presentation on the highlights of the MKSP in the SLBC meeting. (Gist of the presentation provided in **Annexure I**).*

4.1.5. Making available RR online portal for extended time (Suggested by DLRC, Idukki)

LDM, Idukki informed that the time for accessing RR online portal has been extended up to 7 p.m in Idukki District. Revenue Department had accepted the request in consultation with NIC. Hence, this may be made applicable to other districts also.

*In view of the above, the forum decided to **drop** the item.*

4.1.6. Micro Insurance Scheme (Suggested by LIC of India)

*Representative from LIC of India made a presentation on the highlights of Micro Insurance Scheme. (Gist of the presentation provided in **Annexure II**).*

4.1.7. Green initiative of SLBC Cell - Letters/Communications through email only (Suggested by SLBC Cell)

The forum noted the contents and adopted the same for implementation.

4.1.8. Agitation by political parties in front of SBI branches at Udumbanoor and Thodupuzha (Idukki District) against non-sanction of Education Loans (Suggested by State Bank of India)

***Sri. Shaji K. V, Chairman, SMGB** informed that the similar agitation occurred against SMGB branches too. The matter has been reported to the DGP of the State for providing police*

protection. He added that guidelines on Education loans are displayed in branch premises for the larger assimilation for the loans seekers.

It was decided that individual banks may take adequate steps to protect the life and property. However, on behalf of bankers the Convenor SLBC assured to bring the issue to the notice of Government of Kerala.

(Action: SLBC / Government of Kerala)

4.1.9. Strengthening Bank Linkage for Farming JLGs (Suggested by Kudumbashree)

Sri. Liby T. Johnson, Programme Officer, Kudumbashree detailed the agenda item.

The forum decided to take up the matter in the Sub-Committee of SLBC, Kerala for further discussions and evolving common strategy.

(Action: SLBC)

4.1.10. Insurance policy (Uni Study Care Policy) for Education Loan beneficiaries (Suggested by M/s United India Insurance Company Ltd)

The forum noted the draft proposal for insurance cover for students availing Education loan from banks by M/s United India Insurance and decided to take up the matter in the Sub-Committee of SLBC, Kerala for further discussions.

(Action: SLBC)

4.2. PENDING ISSUES IN SLBC & ACTION TAKEN REPORT

4.2.1. Non availability of Interest Subsidy for Education loans granted by KSCARD Bank

The forum decided to pursue the matter with Ministry of Finance, Government of India as a special case.

(Action: SLBC)

4.2.2. Agenda items suggested by RSETI, Thrissur

*The forum noted the clarification provided by **Sri. M. Nanda Kumar, IAS**, Commissioner for Rural Development, who during his address informed that suitable reply on the matter had been given to the LDM, Thrissur. In view of the above, the forum decided to **drop** the issue.*

4.2.3. Land Allotment for construction of RSETI Building, Kozhikode

The forum noted that Sri. M. Nanda Kumar, IAS, Commissioner for Rural Development, during his address informed that the land allotment problems would be sorted out within two months.

The forum decided to pursue the matter with Commissioner for Rural Development till its conclusion.

(Action: Commissioner for Rural Development)

4.2.4. Contact details of Nodal Officers of Revenue department identified for Revenue Recovery

The forum requested LDMs to expedite submission of details to SLBC Cell so that the Contact details of Nodal Officers of Revenue Department identified for RR could be published by SLBC.

(Action: LDMs / SLBC)

4.2.5. Sanctioning OD in no frills accounts

The forum suggested collecting the status of providing inbuilt OD in no frill accounts from Controlling Offices of all Banks. It also suggested including the matter in the awareness programmes to be conducted for Panchayat members at district levels.

The forum requested Controlling Offices of all Banks to submit the status to SLBC.

(Action: Controlling Offices of Banks)

4.2.6. Number of BCs and BF's operating in the State (separately)

The forum requested Controlling Offices of banks to submit the break up details of BCs, CSPs and BF's operating in the State as at 31.03.2012 to SLBC.

(Action: Controlling Offices of Banks)

4.2.7. Inclusion of banks under Kerala Land Conservancy Act 1957

In the absence of representative from Revenue Department, the forum decided to pursue the matter.

(Action: Revenue Department)

4.2.8. Revamping of SAMIS under Lead Bank Scheme

The forum noted that NABARD vide letter No.NB (Kerala)/CPD/2642/PL-06 /2012-13 dated 07.08.2012, informed that their HO has considered the issue in detail and has advised as under:

“The High Level Committee on Lead Bank Scheme (Usha Thorat Committee), had indicated introduction of Priority Sector Monitoring and Information System (PSAMIS) in place of SAMIS. Besides, in the report submitted by the ‘Committee to re-examine the existing

classification and suggest revised guidelines with regard to priority sector lending, classification and related issues' (M V Nair Committee), data capturing at the base level and moving to data based reporting system have been recommended (para 5.5 to 5.7 of the report). As a new reporting system is under consideration of RBI, any modification to SAMIS/LBR at this stage may not be appropriate."

*In the light of the above, the forum decided to **drop** the item.*

4.2.9. Giving Provision to Controlling offices of banks to monitor status of RR

In the absence of representative from Revenue Department, the forum decided to pursue the matter.

(Action: Revenue Department)

4.2.10. Objections raised by sub Registrar's Offices on the sale of properties attached by Banks

*The representative from **Taxes Department** informed that circular on the issue is pending with Government of Kerala for approval. Some clarification has been sought from Taxes Department by the Government and is in the process of clearing the same.*

The forum decided to pursue the matter with Revenue/Taxes Department

(Action: Revenue/Taxes Department)

4.2.11. E-Collection of Kerala State Commercial Taxes - Inclusion of major banks in the State in addition to banks handling the same at present

*The representative from **Taxes Department** informed that Taxes Department had issued a Government Order dated 12.07.2012 including Federal Bank for handling e-collection of Kerala State Commercial Taxes. He added that major banks like Corporation Bank, Punjab National bank, Bank of India, IDBI Bank, UCO Bank, Indian Bank, Indian Overseas bank, Bank of Baroda etc. are included.*

The forum observed that since the agenda was for inclusion of all major banks in the State viz. SBT, SBI, Canara Bank, Union Bank of India, Syndicate Bank etc. in addition to those listed banks, decided to pursue the matter with Taxes Department.

(Action: Taxes Department)

4.2.12. Exemption to Public Sector Undertakings etc. from producing Identity Card and Photo for registration of document in terms of Notification RR-4/5448/2003 dated 04.05.2007 of Registration Department

*The forum noted that since the Government Order in this regard had been issued by the Registration Department and hence decided to **drop** the item.*

4.2.13. Green Initiative - e-payment

The forum decided to pursue the matter with Government of Kerala.

(Action: Government of Kerala)

4.2.14. Status of revival of defunct SHGs

The forum noted that member banks expressed difficulty in culling out the data as proposed since such a provision is not available in the existing CBS package. The forum observed that SLBC is providing the data on SHGs in 3 categories (i) Financing SHGs directly by banks (ii) Financing SHGs directly with the facilitation of NGOs (iii) Financing SHGs through the medium of NGOs.

*In view of the above, the forum decided to **drop** the item.*

4.2.15. Inclusion of Banks under “Public Utility Service” - under S 22 A of Legal Services Authorities Act - Establishment of Permanent Lok Adalath under S 22 B

The forum decided to pursue the matter with Finance Department, Government of Kerala.

(Action: Finance Department, Government of Kerala)

4.2.16. Left over cases of Bhavanashree loans

*In view of the clarification provided by the Kudumbashree in the sub-committee meeting held on 09.08.2012, the forum decided to **drop** the item. However, the forum advised Corporation Bank to take up their matter with Kudumbashree.*

4.2.17. Automation of Interface of State Government Treasuries with Banks

*The representative from **Planning & Economic Affairs Department** informed that the matter was pending with Finance Department and requested SLBC to take up with Finance Department.*

The forum decided to take up the matter with Finance Department, Government of Kerala.

(Action: Finance Department / SLBC)

4.2.18. Levying of Service Charges under SARFAESI – Pending since June 2011

In the absence of representative from Revenue Department, the forum decided to pursue the matter.

(Action: Revenue Department)

4.2.19. Computerization of Land Records – Pending since June 2006

In the absence of representative from Revenue Department, the forum decided to pursue the matter.

(Action: Revenue Department)

4.2.20. Creation of a Central Registry titled National Mortgage Repository – Pending since October 2008

Representative from Taxes Department informed that the matter is related to Land Titling Bill of Revenue Department and hence to be dealt with by Revenue Department.

In the absence of representative from Revenue Department, the forum decided to pursue the matter.

(Action: Revenue Department)

4.2.21. Need for Reduction in Stamp Duty and Registration charges for Registered Memorandum - Pending since December 2007

The representative from Taxes Department informed that Government had already issued two orders dated 03.08.2011 & 30.03.2010 for reducing the stamp duty. However, there was no upper cap fixed. The proposal for fixing upper cap is being examined by the Government of Kerala.

Added to this, the representative from Registration Department informed that draft notification in this regard is submitted to the Government for fixing the maximum cap at Rs. 10000.

The forum decided to pursue the matter with Taxes/Registration Department

(Action: Taxes/Registration Department)

4.2.22. Registration of Equitable Mortgage created in favour of the banks with Sub-Registrar - Pending since March 2003

The representative from Taxes Department informed that since the matter is under the Central Act, the amendment in Registration Act is being considered by the Government of India.

The forum decided to pursue the matter with Taxes Department.

(Action: Taxes Department)

4.2.23. Amendments suggested in the format for issuing Encumbrance Certificate for landed property issued by Sub-Registrar Office (SRO) - Pending since May 2008

After a prolonged debate on the various aspects, the forum decided to pursue the matter with Taxes Department.

(Action: Taxes Department)

4.2.24. 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 - Pending since December 2007

The representative from Taxes Department informed that the matter is active consideration of the Government.

The forum decided to pursue the matter with Taxes/ Registration Department.

(Action: Taxes/ Registration Department)

4.2.25. Waiver of Stamp duty on SHG loans - Pending since March 2006

The representative from Taxes Department informed that the matter had been taken up with Local Self Government Department. It was informed that on receipt of the comments from the matter would be recommended to the Government.

The forum decided to pursue the matter with Finance/Taxes Department.

(Action: Finance /Taxes Department)

4.2.26. Government proposal of declaring moratorium on recovery of loans availed by the people in Endosulphan affected areas - Pending since March 2011

The forum noted that Government of Kerala had already given instructions to the District Collector, Kasaragod to provide the list of victims affected by Endosulphan to LDM, Kasaragod However, LDM, Kasaragod informed that the revision process is in progress.

*The forum noted that since the issue does not have immediate implications that require the intervention of SLBC, decided to **drop** the issue. However, LDM Kasaragod was advised to keep a close track of the issue.*

4.2.27. Utilization of RIDF in the State

The forum noted the activities covered under RIDF and the fund availability position provided by NABARD was incorporated in the background papers in annexure 10.46.

*In view of this, the forum decided to **drop** the item.*

4.2.28. Action Taken Report on the implementation of Directives of Finance Ministry (Position as on 18.08.2012)

The forum noted the Action Taken Report (ATR) presented by SLBC on the directives of Ministry in Annexure 10.47 of the background papers. The forum reviewed the action points in seriatim and advised all member banks to strictly adhere to the directives and inform progress. It also suggested reviewing this on an ongoing basis in SLBC / DLRCs.

(Action: SLBC / DLRCs / Banks)

4.3. INFORMATION NOTE

4.3.1. Including of Kudumbashree as a regular agenda for DLRC meetings (Suggested by Local Self Government (DB) Department, Government of Kerala)

The forum decided that SLBC Cell may issue necessary instructions in this regard to all LDMs. The forum noted the contents for information.

- 5. Review of Performance under Priority Sector Advances**
- 6. Review of Performance under Special Focus Programme**
- 7. Review of Performance under Government Sponsored Schemes**
- 8. Review of Performance of the Banking Sector**

The forum concurred with the review of the performance under various sectors as at June 2012 Quarter provided in the background notes supplied.

The 107th meeting of SLBC, Kerala concluded with the above deliberations.

Sri. C. G. Nair, Deputy General Manager, Canara Bank proposed vote of thanks.

Gist of presentation made in SLBC

Annexure - I

Sri. Liby T. Johnson, Programme Officer, Kudumbashree gave an introduction on **Mahila Kissan Sashaktikaran Pariyojana (MKSP)** and **Smt. P. Indu**, Programme Officer, Kudumbashree made a detailed presentation on MKSP.

Sub- components of NRLM

Kerala got sanctioned 2 projects-

1. Collective Farming through women farming groups(Joint liability Groups) of Kudumbashree
 - Providing technical training and mechanization
 - All districts
 - Project cost- 79.9 crore
2. Programme for reviving paddy cultivation through women labour bank
 - Project cost 60.62 Crores
 - Trissur, Malappuram and Palakkad (through Confederation of District Panchayaths Trissur, Malappuram and palakkad)
 - Kudumbashree fund routing agency

Collective Farming -Women Farming Joint Liability Groups (JLGs) of Kudumbashree

Activities

- Technical Training and Mechanization
- Master Farmers
- Farmers Facilitation Centre at CDS
- Integrated farming System & Indigenous practices
- Innovative Agricultural Practices- Precision Farming, System of Rice Intensification (SRI), Zero budget Framing
- Exposure Visits

Project Investment Under MKSP

Support activities	Investment (in crores)
Capacity building and Technical Support	31.63
Promotional incentive/Capital subsidy	30.5
Asset Creation	13.035
Risk management	2.45
Administrative expenses	2.33
Sub total	79.9
Total	79.9

Achievements:

Formation and institutionalization of JLGs

- Mass campaigns with support of NABARD
- Hand books and special guideline.
- Formed and institutionalized 49214 JLGs
- Area brought under cultivation- 48195.73 ha
- Bank linkage – 3535 JLGs- 32.09 Crores
- Interest subsidy – 1674 JLGs – 1.24 Crores

Creation of Digitized MIS

- 3 levels- CDS, District Mission and State Mission
- CDS accountant updates the data
- Information
- Member details- Category wise
- Major crops and area
- Major converging institutions and converging area
- Details of bank linkage
- Incentive Details

Capacitating of CBO, JLG and Master farmers

- State level awareness campaign -District Mission Co-ordinators & RP
- District level campaign - CDS chairperson & accountant
- 3 tier Workshops
 - ✓ Panchayath level – 691 (68,708 women farmers)
 - ✓ Cluster Level - 30
 - ✓ State level – 1
- Master farmers Identified- 10441
- Hand books- JLG guidelines, Guideline for Master farmers, Indigenous practices

Formation of 3 tier coordination committee

- Identifying problems
- Effective convergence
- 3 levels- State, District and Panchayath
- State Agriculture Minister - Chairman
- Panchayath Minister- Vice Chairman
- Executive Director, Kudumbashree-Convener
- Heads from Agri, AH, Diary Dvpm etc- Members

State Level Monitoring Committee

- Periodic Monitoring
- Principal Secretary LSGD- Chairman
- Executive Director Kudumbashree – Convener
- Secretary Agri Dept, Social Welfare, CGM NABARD, GM Canara Bank, Dean KAU- members

Indigenous Farming & innovative practices

Pokkali Rice Farming

- 6 JLGs - 56 women farmers
- Area- 24 acres

System of Rice Intensification (SRI)

- 10 groups in Wayanad
- Area- 27 acres

Precision farming

- 7 JLGs- Palakkad District
- Each group -5 cents
- Total cost incurred - 2.5 lakhs
- Major crops grown- Capsicum, Tomato, Cucumber and cowpea
- Each group profit - Rs: 55000 / season

Expectation from Banks

- Orientation to JLG members on various bank intervention
- Ensuring availability of priority sector lending & interest subvention
- Addressing current issues- access, documentation
- Ensuring JLG coverage under revised KCC norms
- Consideration for special projects

Annexure - II

Smt. Lekshmy Kylas, Senior Divisional Manager, LIC of India made a power point presentation on **Micro Insurance**.

The First and foremost objective of LIC

- To spread life insurance widely and in particular to the rural areas and to the socially and economically backward classes with a view to reaching all insurable persons in the country.

Our product Jeevan Mangal fulfills the foremost objective and thus satisfies the Micro Insurance needs of the EW society.

What is Micro Insurance:

“Micro insurance” refers to the small insurance cover.

Why Micro Insurance:

Financial arrangement to protect low-income.

Takes care of the affordability of the poor for paying the premium.

Target market is the segment which cannot afford the traditional mainstream life insurance products.

For the Policy Holder	<ul style="list-style-type: none"> • Affordability (Small ticket policies) • Facility to pay small Premiums. • Savings and risk cover benefits • Protection for low income Group • Simple paper work and without medical examination
The Society	<ul style="list-style-type: none"> • Financial inclusion for rural and urban poor. • Mobilization of small savings • Social Security benefits
For the Partner	<ul style="list-style-type: none"> • Collateral security • Helps to square of the loans of customers in case of death and thus helps in recovery. • Fulfillment of social objective - (Protecting the poor from uncertainties) • Additional fee incomes
LIC	<ul style="list-style-type: none"> • Reach of message to masses through channel partners. • Fulfillment of mission values

Then she highlighted the Jeevan Mangal Scheme and its product features, benefit illustration, Remuneration, Business Model.

Madhur Bima Gram – 2011-12

Applicable to all Villages

<u>Village with more than 3000 population</u>	<u>Village with less than 3000 population</u>
Min. 300 Policies to be secured in that village/Community	Min. 125 Policies to be secured in that village/Community
<u>Benefits:</u> Any project for amenities in the village costing upto Rs.22,500/-	<u>Benefits:</u> Any project for amenities in the village costing upto Rs.10,000/-

The incentive payable under this Scheme shall be for the purpose of building room /rooms in the school/Gram Panchayat or setting up of a library or constructing water tank/installing hand pumps, solar street lights or panels and other similar purposes.

In conclusion she pointed out the feedback of the last meeting.

Annexure - III

Sri. N. A. Shanbhag, Advisor, National Housing Bank made a power point presentation on “**Credit Risk Guarantee Fund Scheme for Low Income Housing**”, the gist of which is given below.

Background

- a) Government of India has decided to start a new scheme of Rajiv Awas Yojana (RAY) in order to create a ‘Slum-Free India’ and
- b) EWS/LIG households in urban areas are facing difficulties in getting housing loans from Lending Institutions (LIs)

The Government of India has desired to introduce a Credit Risk Guarantee Fund Scheme for Low Income Housing, for housing loans upto 5 lakh to individual borrowers including borrowers forming a group or housing society of at least 20 members to be operational from the year 2011-12.

Introduction

Hon’ble Finance Minister in his Budget speech for the FY 2011-12 & 2012-13 had announced to set up Credit Guarantee Fund Trust to ensure better flow of institutional credit for housing loans.

Credit Risk Guarantee Fund Scheme for Low Income Housing

MoHUPA, Government of India in consultation with DFS, MOF has formulated the Credit Guarantee Scheme to provide credit guarantee support to Collateral free/third-party guarantee free individual housing loans upto Rs.5 lakhs extended by eligible lending institutions for Low Income Housing.

Setting Up of Trust: MoHUPA, Government of India has set up and registered Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH) on 1st May, 2012 by executing the Trust Deed.

Settlers of the Trust: MoHUPA, Government of India will be the settler of the Trust.

Objective of Credit Guarantee Scheme

- Default guarantee as Risk Mitigant
- To enable availability of bank credit without collaterals/third party guarantee.
- To strengthen credit delivery system and facilitate flow of credit to low income housing viz., EWS and LIG.

Corpus of the Trust

The Trust has been set up with an initial corpus of Rs.1 lakh. Further contributions will be made to the corpus by the Settler and State Governments who draw on it, in accordance with their slum population, i.e. Rupees One Thousand crores in the aggregate by the settler and Rupees two hundred crores by State Governments.

Objectives

- To provide default guarantee for housing loans upto 5 lakhs sanctioned and disbursed by the lending institutions without any collateral security and/or third party guarantees to the new or existing borrowers in the EWS/LIG categories.

- To undertake securitisation of the guaranteed loans and to do all other acts or things as may be necessary, either directly or otherwise, in such manner as may be decided by the Board of Trustees.
- To do such other acts and things as may be incidental to or consequential to the objectives.

Expected Benefits

Benefits to Lenders

- Credit Risk transferred to the Trust.
- **Capital Relief:** Reduction in credit risk leads to reduction in risk weighted assets and hence lesser capital requirement for CRAR.
- Mobilization of Funds through Securitization

Benefits to EWS/LIG Households

- Credit enhancement EWS and LIG households will result in increased credit flow from lenders for this segment
- Increased availability and accessibility of institutional loan/credit.
- Affordable interest rates due to reduced risk & lesser capital requirements for lenders.

Eligible Institutions

Lending Institutions which are eligible to avail guarantee cover under the Scheme are:

1. Scheduled commercial banks,
2. Regional Rural Banks,
3. Urban Co-operative Banks,
4. NBFC-MFIs
5. Apex Cooperative Housing Finance Societies registered under the State Co-operative Societies Act, eligible under RBI guidelines,
6. Housing Finance Institutions registered with NHB or any other institution as directed by Government of India

Eligible Loans - Scope & Coverage

Eligible Loan Amount: Housing loan amount not exceeding 5 lakh per person without collateral/third part guarantee; size of unit (carpet area) not exceeding 430 sq ft (40 sq mt)

Eligible Activity: home improvement, construction, acquisition, and purchase of new or second hand dwelling units involving a housing loan amount not exceeding 5 lakh per person.

Eligible Borrowers: new or existing individual borrowers in EWS/LIG categories of the population and eligible borrowers, forming a group or housing society of at least 20 members

Guarantee Cover

The Trust shall provide guarantee as under:

Category	Maximum extent of Guarantee where Housing Loan is	
	Upto 2 lakh or such amount as decided by the Trust from time to time.	Above 2 lakh and upto 5 lakh or such amount as decided by the Trust from time to time.
Housing Loans by Individual Borrowers	90% of the amount in default subject to the ceiling of 90% of the sanctioned housing loan amount	85% of the amount in default subject to ceiling of 85% of the sanctioned housing loan amount

Guarantee Fee

Quantum of Fee: One-time guarantee fee at specified rate of 1.00% or as specified by the Trust, of the total loan amount shall be paid upfront. Guarantee fee once paid shall not be refunded except in case of excess remittance, paid more than once for a given loan or paid when not due. Tenor of guarantee cover shall coincide with tenor of loan (not exceeding 25 years)

Payment of Fee to Trust : within 30 days from the date of first disbursement of housing loan or 30 days from the date of Demand Advice of guarantee fee whichever is later or such date as specified by the Trust.

Charging of Fee from Borrowers: Fee shall not be charged from the beneficiary as an upfront processing fee. However, banks may alter the interest rate to cover up to 50% of the guarantee fee. The premium charged should be clearly disclosed by the lending institutions.

Guarantee Claim

Invocation of Guarantee

- A) Lock-in-period:** Normally lender cannot make any claim on Trust for settlement
- within the period of 24 months after the last disbursement was made or
 - within the period of 24 months from the date of the guarantee cover coming into force or
 - 2 months after the completion of the house, whichever is later.
- B) The lending institution shall invoke the guarantee in respect of housing loan -**
- In case the loan is classified as NPA before the lock-in period expires, within one year of the expiry of the lock-in period; or
 - In case the loan is classified as NPA after the lock-in period expires, within one year of the loan being classified as NPA.

Procedure of Claiming Guarantee

A. Agreement by the Lending Institution

Lending institution will have to enter into an agreement with the Trust in such form as may be required by the Trust to be entitled to a guarantee in respect of any eligible housing loan granted by it.

B. Lending institution has to apply for guarantee cover

-in respect of loan proposals sanctioned in the quarter April-June, July-September, October-December and January-March

prior to expiry of the

-following quarter viz. July-September, October-December, January-March and April-June respectively

Settlement of Guarantee

- The Trust shall pay 75 per cent of the guaranteed amount on invocation claim by the lending institution, within 60 days of applying for the settlement of claim, subject to the claim being otherwise found in order and complete in all respects.
- The balance 25 per cent of the guaranteed amount will be paid on conclusion of recovery proceedings by the lending institution.
- On a claim being paid, the Trust shall be deemed to have been discharged from all its liabilities on account of the guarantee in force in respect of the borrower concerned.

Appropriation of recovery amount

After Invocation of guarantee,

1. Any amount recovered by the lending institution towards defaulted loan will be deposited with Trust.
2. After settling all its dues the balance, if any, shall be appropriated in such a manner so that losses on account of deficit in recovery of the housing loan between the Trust and the lending institution are in the proportion
 - a) of 90% and 10%, respectively, in the case of housing loans upto 2 lakh
 - b) and 85% and 15%, respectively, in the case of housing loans above 2 lakh and upto 5 lakh.

Responsibilities of lending institutions

The responsibilities of the lending institutions inter-alia,

1. Evaluation of loan application by using prudent banking judgement, business discretion/due diligence in selecting housing loan proposals and conduct the account(s) ,
2. Safeguarding primary security and ensuring their enforceability.
3. Close monitoring of the account,
4. All due diligence and necessary legal actions for recovery of loan,
5. Safeguarding interest of Trust and compliance with the directives.

Returns and inspections

Returns:

- The lending institution shall submit such statements and furnish such information as the Trust may require in connection with any housing loan under this Scheme.
- The lending institution shall also furnish to the Trust all such documents, receipts, certificates and other writings as the latter may require

Inspections:

- The Trust shall have the right to inspect or call for copies of the books of account and other records of the lending institution, and of any borrower from the lending institution.
- Every officer or other employee of the lending institution or the borrower, who is in a position to do so, shall make available to the officers of the Trust or the person appointed for the inspection as the case may be, the books of account and other records and information which are in his possession.

Annexure - IV

**Sri. Ramakrishnan K. K, Managing Director, SFAC made a power point presentation on
“Promotion of fruits, vegetables and spices based value addition projects in Kerala”**

Priorities and strategies

The priority areas in food processing are

- Emphasis on production of value added products from locally available fruits like banana, jack, mango, pineapple, minor fruits like bilimbi, lovilovi, etc and various vegetables.
- Emphasis on cottage industry involving village women for the manufacture of food products.
- Popularization of low cost processing machinery.

Techno Economic Feasibility of the Project

Present Scenario

- Use of appropriate post harvest technology reduces the post harvest and storage losses; adds value to the product, generate employment in village and reestablishes agro-industries in rural sector.
- There are no agencies for promotion of value addition of these products.

Bottlenecks faced

- Lack of availability of technologies
- Lack of sufficient credit facilities for value addition
- Constraints in timely availability of inputs
- Lack of awareness and proper training
- Lack of organized marketing
- Ignorance about marketing
- Exploitation by intermediaries

Objectives

- Promotion of value addition of fruits, vegetables and spices ethnic crops of the state.
- Promotion of agro industrialization
- Diversification of horticultural produce
- Commercialization of value added products.
- Enabling small and marginal farmers to obtain better price for their produce.
- Generating employment opportunities especially in the rural sector.
- Reducing potential horticultural imports.
- Providing crucial farm-industry linkage which helps accelerated economic progress.
- Better inflow of credit to value addition sector.
- Avoiding wastage of agricultural produce and ensuring its optimum utilization.
- Motivating the farmers for better productivity and ensuring improvement in their socio economic status

Financial Outlay

- The total outlay of Rs.425 lakhs will be utilized for providing subsidy to the entrepreneurs.
 - 25% of the project cost of each project will be provided as subsidy subject to a maximum of Rs. 10 lakhs.

Mode of Implementation

- Applications will be invited from eligible entrepreneurs.
- After obtaining sanction of loans from banks, the project reports will be scrutinized by the technical committee for final approval.
- The projects should be submitted to this office after sanctioning of loans by the banks and will be considered on first come first serve basis, based on the date of receipt of projects approved in this office.

Guidelines

- Project should be related to value addition of fruits, vegetables or spices.
- Projects for value addition of fruits, vegetables and spices with the total project cost ranging from 5 to 50 lakhs will be considered under the scheme.
- The quantum of SFAC assistance will be limited to a maximum of 25% of the total project cost assessed by the financing institution or 10 lakhs whichever is less.
- The entrepreneur can avail subsidy from other Govt. of India schemes / programmes and the overall subsidy will be limited to 50% of the total project cost.
- Cost of land will not be considered in the total project cost for the purpose of granting subsidy.
- Project should be accepted by credit institutions for grant of term loans
- Individual entrepreneurs, SHGs, Clusters, NGOs, partnership etc will be considered under the scheme.
- The entrepreneur should avail loan for the implementation of the project from any nationalized/ scheduled/ Co-operative/ Regional Rural Banks/ other non banking financial institutions.
- The entrepreneur should submit the project reports along with the sanction letter obtained from the financing institution to SFAC
- The entrepreneur should avail a minimum of 25% of the total project as Term loan from the financing institutions. Otherwise the subsidy will be limited to the term loan amount.
- Project should ensure forward and backward linkages.
- The project proposal will be examined by a Scrutiny Committee in detail and acceptance or rejection of the project will be done solely based on their recommendation. The decision of the Scrutiny Committee will be final.

The scrutiny committee consists of the following members:-

- Chief (Agri.), State Planning Board or his nominee.
- Technical expert in the concerned field from Coconut Development Board/Central Tuber Crops Research Institute/Kerala Agricultural University etc.
- Additional Director of Agriculture (Marketing)
- Representative of Lead Bank
- Representative of NABARD
- Managing Director, SFAC, Member Convenor.
- 50% of the subsidy will be released to the suspense account of the beneficiary on completion of installation of machinery.
- The subsidy will be back ended which will be credited to the suspense account of the entrepreneur.
- The entrepreneur should successfully continue with the project activities and production of value added products at least for a minimum period of 5 years

Anticipated Benefits

A. Direct

- Considerable reduction in physical loss of agricultural produce after harvest, ensuring their optimum utilization
- Reduction in quality deterioration of agricultural produces by value addition
- Promotion of agro industrialization thereby enhancing the income of entrepreneurs as well farmers

B. Indirect

- Encouraging partnerships and innovative ideas among entrepreneurs
- Will help to attract unemployed youth to agriculture and allied sectors
- Better inflow of credit to the farm sector.
- Facilitates transfer of technology from farm to table
- Improves socio economic status of the entrepreneurs

LIST OF PARTICIPANTS

CHIEF GUEST

Sri. K. M. Mani

Finance Minister, Government of Kerala

GOVERNMENT OF KERALA / GOVT. OF INDIA / DEVELOPMENTAL AGENCIES

1. Sri. V. S. Senthil, IAS Principal Secretary, Planning & Economic Affairs Dept.
2. Sri. T. K. Jose, IAS Chairman, Coconut Development Board
3. Sri. M. Nanda Kumar, IAS Commissioner for Rural Development
4. Dr. Devendra Kumar Dhodawat, IAS Secretary, SC/ST Development Department
5. Sri. V. K. Chopra Deputy Secretary, Dept. of Financial Services, MoF
6. Sri. P. Regi Varghese Additional Secretary, Planning & Economic Affairs Dept.
7. Sri. N. K. Sivadasan Joint Inspector General, Registration Department
8. Sri. A. Mohana Kumar Addl. Development Commissioner, Rural Development Dept.
9. Sri. P. K. Thomas Executive Director (i/c), Kudumbashree
10. Sri. Sam C. Ittycheria Director, Handloom & Textiles
11. Smt. Sarojini K. T. Director, Dairy Development Department
12. Dr. K. G. Suma Director, Animal Husbandry Department
13. Sri. M. Radhakrishnan Joint Secretary, Finance Department
14. Smt. K. Shylasree Deputy Secretary, SC/ ST Development Department
15. Sri. V. K. Bahuleyan Deputy Secretary, Higher Education Department
16. Sri. Isaac Itty Deputy Secretary, Information Technology Department
17. Sri. Joykutty M Under Secretary, Planning & Economic Affairs Department
18. Smt. Ushakumari V. S Under Secretary, Taxes Department
19. Sri. Ramakrishnan K. K Managing Director, SFAC
20. Sri. C. R. Ramesh Additional Director, Agriculture Department
21. Smt. P. T. Rosamma Joint Director, Industries & Commerce Department
22. Sri. G. Hari Joint Director, Dairy Development Department
23. Smt. Mumtaz Beegum K. A Joint Registrar, Agriculture PPM Cell
24. Sri. Anil Kumar K. S Deputy Director, Directorate of Handloom & Textiles
25. Dr. P. M. Prasad Deputy Director, Animal Husbandry Department
26. Smt. P. Jameela Deputy Director, KVIB
27. Sri. Radhakrishnan V Assistant Director, KVIC
28. Sri. K. C. Johnson Assistant Director, MSME Development Institute
29. Smt. Lekshmy Kylas Senior Divisional Manager, LIC of India
30. Sri. R. Salim Kumar Deputy Registrar, Co-operative Department
31. Sri. Rajesh D Regional Manager, Agricultural Insurance Co. of India
32. Smt. Meghna Babu Regional Co-ordinator, Kudumbashree
33. Sri. Liby T. Johnson Programme Officer, Kudumbashree
34. Smt. P. Indu Programme Officer, Kudumbashree
35. Sri. S. Jayamohan Manager, LIC of India
36. Sri. V. J. John Assistant Manager, New India Assurance Co.
37. Sri. R. Ranju Senior Inspector, Office of the Registrar of Co-op. Societies
38. Sri. Pramod M. V. Section Officer, Taxes (E) Department
39. Smt. G. Dhanya Investigator, National Commission for SCs

RESERVE BANK OF INDIA

1. Sri. Salim Gangadharan Regional Director
2. Sri. R. Sudeep Deputy General Manager
3. Sri. V. Reveendran Assistant General Manager
4. Sri. K. R. Radhakrishnan Manager
5. Smt. Dhanya V Research Officer

NABARD/National Housing Bank

- | | |
|------------------------|-----------------------------------|
| 1. Sri. K. R. Rao | General Manager, NABARD |
| 2. Sri. Vinod C | Assistant General Manager, NABARD |
| 3. Sri. N. A. Shanbhag | Advisor, National Housing Bank |

STATE BANK GROUP

- | | |
|----------------------------|--------------------------------|
| 1. Dr. M. Sreenatha Sastry | Chief General Manager, SBI |
| 2. Sri. S. Vasudevan | General Manager, SBT |
| 3. Sri. S. Jayaram Moorthy | Deputy General Manager, SBI |
| 4. Sri. B. Ramakrishna | Deputy General Manager, SBT |
| 5. Sri. Anil R. | Assistant General Manager, SBI |
| 6. Sri. P. K. George | Chief Manager, SBT |
| 7. Sri. J. B. Subrahmanyam | Chief Manager, SBH |
| 8. Sri. M. Alagarasan | Chief Manager, SBBJ |
| 9. Sri. V. K. Mohanan | Manager, SBM |

PUBLIC SECTOR BANKS

- | | |
|--------------------------------|--|
| 1. Sri. S. Jayamohan Nayar | Deputy General Manager, Union Bank of India |
| 2. Sri. M. S. M. Varma | Deputy General Manager, Syndicate Bank |
| 3. Sri. C. Haridas | Deputy General Manager, Indian Overseas Bank |
| 4. Sri. S. K. Kamath | Deputy General Manager, Bank of Baroda |
| 5. Smt. Minnu Thomas | Deputy General Manager, IDBI Bank |
| 6. Sri. T. Alben Jesudasan | Assistant General Manager, Indian Bank |
| 7. Sri. Rajshekar Bhaskaran | Regional Manager, Central Bank of India |
| 8. Sri. S. Balasubramanian | Chief Manager, Punjab National Bank |
| 9. Sri. Sreekumar Menon | Chief Manager, Bank of India |
| 10. Sri. S. Lakshmanan | Chief Manager, Corporation Bank |
| 11. Sri. Dominic J. P | Chief Manager, Vijaya Bank |
| 12. Sri. S. Ganesan | Chief Manager, Oriental Bank of Commerce |
| 13. Sri. V. S. Kurup | Chief Manager, UCO Bank |
| 14. Sri. Anith Thomas Zacharia | Chief Manager, Andhra Bank |
| 15. Sri. Joy Varghese | Senior Manager, Indian Overseas Bank |
| 16. Sri. C. V. Rajan | Senior Manager, Dena Bank |
| 17. Sri. Alexander Thomas | Senior Manager, United Bank of India |
| 18. Sri. Sanjiv Srivastava | Senior Manager, Punjab & Sind Bank |
| 19. Sri. Biju Kumar D. S. | Manager, Indian Bank |
| 20. Sri. Adalarasan S | Assistant Manager, Corporation Bank |
| 21. Sri. N. S. Subramanian | Deputy Chief Officer, Central Bank of India |

CONVENOR BANK (CANARA BANK)

- | | |
|-----------------------------|--|
| 1. Sri. K.S. Prabhakara Rao | General Manager |
| 2. Sri. G. Sreeram | General Manager (Convener, SLBC, Kerala) |
| 3. Sri. C. G. Nair | Deputy General Manager |
| 4. Sri K. R. Balachandran | Deputy General Manager |
| 5. Sri. Anil Kumar P | Assistant General Manager |
| 6. Sri. K. R. Arun Kumar | Senior Manager |
| 7. Sri. Shiraj R. Chandra | Manager |
| 8. Sri. Babu Venkitesh K | Officer |

REGIONAL RURAL BANKS

- | | |
|----------------------|---------------------|
| 1. Sri. Shaji K. V | Chairman, SMGB |
| 2. Sri. V. K. Saigal | Chairman, NMGB |
| 3. Sri. Mukundan T | Chief Manager, NMGB |
| 4. Sri. P. Aravindan | Chief Manager, SMGB |

PRIVATE SECTOR BANKS

- | | |
|----------------------------|--|
| 1. Sri. C. P. Sasidharan | Deputy General Manager, Federal Bank |
| 2. Sri. P. V. Antony | Deputy General Manager, Catholic Syrian Bank |
| 3. Sri. M. Muraleedharan | Deputy General Manager, Dhanlaxmi Bank |
| 4. Sri. Jayakumar R. Nair | Deputy General Manager, ICICI Bank |
| 5. Sri. Hari V | Zonal Head, HDFC Bank |
| 6. Sri. Roy Varghese | Deputy Vice President, AXIS Bank |
| 7. Sri. Babu P. S. | Chief Manager, Federal Bank |
| 8. Sri. Damodaran P. K. | Chief Manager, South Indian Bank |
| 9. Sri. T. T. Thomas | Chief Manager, HDFC Bank |
| 10. Sri. N. Kandasamy | Chief Manager, City Union Bank |
| 11. Sri. Mohan R. S. | Chief Manager, Indus Ind Bank |
| 12. Sri. Abdul Rashid Mir | Executive, Jammu & Kashmir Bank |
| 13. Sri. Dinesh K. V | Senior Branch Manager, Karnataka Bank |
| 14. Sri. N. Sekar | Senior Manager, Tamilnad Mercantile Bank |
| 15. Sri. Sharath P. S. | Relationship Manager, ING Vysya Bank |
| 16. Smt. Supriya Shreedhar | Manager, Lakshmi Vilas Bank |
| 17. Smt. Sobha Manoj | Manager, ICICI Bank |
| 18. Smt. Priya C.S. | Manager, Yes Bank |

CO-OPERATIVE BANKS

- | | |
|------------------------------|--|
| 1. Sri. K. Pankajakshan Nair | Deputy General Manager, Kerala State Co-operative Bank |
| 2. Sri. S. Perumal | Agricultural Development Manager, KSCARD Bank |

LEAD BANK OFFICES

- | | |
|--------------------------------------|---------------------------------------|
| 1. Sri. V. R. Muralidhar | LDM, Indian Overseas Bank, Trivandrum |
| 2. Sri. C. R. Gopi Krishnan | LDM, Indian Bank, Kollam |
| 3. Sri. Radhakrishnan Nampoothiri P. | LDM, SBT, Pathanamthitta |
| 4. Sri. K. R. Vaidyanathan | LDM, SBT, Alappuzha |
| 5. Sri. K. Jayasankar | LDM, SBT, Kottayam |
| 6. Sri. K. Babu Ganesh | LDM, Union Bank of India, Idukki |
| 7. Sri. K. R. Jayaprakash | LDM, Union Bank of India, Ernakulam |
| 8. Smt. Annamma Simon | LDM, Canara Bank, Thrissur |
| 9. Sri. R. Rajagopalan | LDM, Canara Bank, Palakkad |
| 10. Sri. T. A. Sajikumar | LDM, Canara Bank, Malappuram |
| 11. Sri. O. Raveendran | LDM, Canara Bank, Kozhikode |
| 12. Sri. K. T. George | LDM, Canara Bank, Wayanad |
| 13. Sri. V. S. Jayaram | LDM, Syndicate Bank, Kannur |
| 14. Sri. M. Ajithkumar Menon | LDM, Syndicate Bank, Kasaragod |