

**MINUTES OF THE 115th MEETING OF
STATE LEVEL BANKERS' COMMITTEE, KERALA**

Held on 16.03.2015 (Monday)
at Hotel Residency Tower
Govt. Press Road, Trivandrum

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

Sri. U. Ramesh Kumar, Convenor, SLBC & General Manager, Canara Bank welcomed the participants to the 115th meeting of SLBC Kerala. He solicited continued co-operation, support and involvement in the smooth conduct of the meeting and for meaningful deliberations.

Sri. P. S. Rawat, Executive Director, Canara Bank and Chairman of the meeting, in his presidential address welcomed all once again and then touched upon the following.

- During the last 6 months the country has witnessed various initiatives taken by the Government of India in addressing inflation, creating conducive atmosphere for industrial growth and support extended to agricultural sector.
- It was mentioned in the Union budget that GDP is estimated to grow at around 8%, in the next fiscal and the Government aims to achieve double digit growth soon. The Budget proposes Rs 5300 crore support for Micro irrigation, watershed development and Pradhan Mantri Krishi Sinchayi Yojana, which are expected to strengthen irrigation infrastructure. Growth forecasts, and other initiatives for infrastructure developments, coupled with easing interest rates announced by the RBI, offer a congenial climate for the bankers for expanding their investment credit. Bankers can play a vital and supportive role for the overall development of the economy.
- The last 8 months, have witnessed brisk activities in the sphere of Financial Inclusion, with all banks in the state, opening 20.76 lakh accounts under Pradhan Mantri Jan-Dhan Yojna. Implementation of PMJDY has been the top agenda for the entire banking industry. The Hon'ble Prime Minister, in his speech at Gyansangam, held on 3rd January 2015 at Pune, lauded the efforts of bankers and state administrations in the implementation of the scheme.

In the implementation of the PMJDY bankers have to focus and address the issues such as,

- 1) the delay in the issuance of the RuPay Debit Cards,
- 2) delay in linkage of the cards,
- 3) educating the beneficiaries to transact through RuPay Debit Cards, which is a very important aspect to increase the transactions in the accounts

He expressed happiness that the banks in Kerala have already established Financial Literacy Centres in all the 152 blocks of the state, which is a unique achievement of the state. However, there is a need to strengthen these FLCs and make them more efficient in imparting the much needed financial education to all the beneficiaries. The state can showcase the centres as the best instruments in imparting financial literacy to its citizens.

To take forward, the financial inclusion initiatives, he called upon banker friends and the concerned Govt. Departments for smooth implementation of these schemes also.

Coming to the performance of the banking industry in the state, Sri. Rawat highlighted the performance of banks as at December 2014.

- During the current year, the Branch network in the state improved to 5876 by adding 288 branches.
- Apart from deploying more than 7800 ATMs, the banks have established Bank Mitra channels in the form of Akshaya Centres and BCAs in 4346 SSAs. Having covered all the 978 Gram Panchayats with Brick & Mortar branches, it would not be difficult for the banks to cover the remaining 40 SSAs with banking channels in the current financial year.
- The CD Ratio is one of the concern areas, which has been consistently declining barring a marginal increase during the quarter ending September 2014. The CD ratio continues to be below 70% mark since December 2013. Deposits have grown at a much faster rate at 13% compared to 10 % growth under advances, resulting in decline in the CD ratio. Banks to ensure that the deployment of credit is, in tune with the growth of deposits.
- Maximum thrust to be given for achieving the Annual Credit Plan and clearing the proposals under the Government Sponsored Schemes within the fortnight left during the current financial year. He called upon banks to clear the backlog in a time bound manner and ensure that the sanctions are issued adhering to the time norms.
- Coming to the performance of the state under implementation of PAHAL – the modified DBT LPG scheme, the percentage of the LPG consumers capable of receiving subsidy through banking channels, remains at an average of 85%, whereas many other states have surpassed 85% levels. SLBC to chalk out strategies to address the slow progress, with special thrust on Idukki, Trivandrum, and Ernakulam districts.

Before concluding Sri. Rawat urged upon all the stake holders to concentrate on certain priorities such as;

- Imparting Financial Literacy is a key factor for the PMJDY initiatives to be successful. Hence strengthen the FLCs to make them more efficient.
- Clearing the backlog of issuing RuPay Debit Cards for all those who have already opened accounts, and also on a day to day basis for the new accounts being opened.
- Efforts to be made to complete coverage of all the Sub Service Areas (SSAs) with banking channels by 31.03.2015.
- Strengthen the infrastructure at Kiosk banking and Business Correspondents to increase transactions.
- Inculcate the habit of thrift and savings amongst the rural mass by transactions through their accounts.
- Banks to focus on achieving the set targets under Annual Credit Plan
- The pending applications under the State and Central Government schemes are to be sanctioned and the targets to be achieved before the year end.

On behalf of SLBC Kerala, Sri. Rawat extended thanks to all for their continued support and cooperation extended through out and wished the bankers, all the success in the Financial Year Ending 2014-15.

Sri. Jiji Thomson, IAS, Chief Secretary, Government of Kerala in his address informed that banks have to play an important role for the development of the economy. He then highlighted the following points.

- Banking sector of the State has disbursed Rs. 66496 crores to the priority sector as at December 2014, which is hovering around 71 % of the target with an increase of Rs. 6345 crores over the last year. Cooperatives have disbursed highest quantum of priority sector loans i.e. Rs. 24291 crores. Nationalized banks and private sector banks were below the state's performance.
- Bank wise figures shows that SBT has disbursed Rs. 7013 crores to the priority sector followed by Canara Bank at Rs. 5545 crores
- District wise figures shows that Thrissur stood at the top followed by Ernakulam. 7 districts have achieved the level above the State's average, but performance of Alappuzha, Trivandrum, Pathanamthitta districts needs improvement.
- Performance of Kottayam and Kasaragod districts are very poor under ACP achievement. These districts to identify field level issues and try to sort it out.
- Under Primary Sector, 50% of the total disbursement in the priority sector, ie. Rs. 32994 crores were disbursed. Nationalized banks contributed 30 % followed by Cooperatives Banks, State Bank Group and private sector banks.
- In the secondary sector 75% of the target has been achieved to the tune of Rs. 12364 crores which implies 118% increase from the last fiscal.
- Tertiary sector, 32% of the disbursement to priority sector, and this is 59% of annual target.

He stated that at present the State economy is going through a difficult time and 3 important notable features of the state of finance in Kerala are:

- 1) Reduction in the share of agriculture and allied sectors
- 2) Sluggish performance in the industrial sector
- 3) Severe resource crunch for developmental expenditure.

Development is the main focus and for achieving this, more resources have to be brought to the State. It is very difficult to increase the revenue collections indicated by last year's figures. He observed that:

- Share of agriculture in GDP in 2004-2005, was 17%. It came down to 9% in the last fiscal.
- Share of industry was 23 % in 2004-2005, it has come down to 20% in 2013-14.
- In 1970-1971, agriculture was a real growth engine of Kerala ie. 50% of the State's GDP.
- 1980 onwards share of agriculture began to diminish due to rapid demographic change and associated socio economic changes.
- In 1980-1981, the share of agriculture was 31% and it came down to 29% in 1991 and at present it has come down to 9%.
- 2013-2014, the growth rate of agriculture has been oscillating within a narrow band.

- Services sector has grown more or less steadily, except 2008-2009 and industrial growth shows a steep fall from 2012-13 onwards.

Coming to state finances, in 2014-15, he said that the state faced the following pronounced financial difficulties.

- The estimated revenues in the previous budget could not be realized.
- There is a drastic fall in revenue receipts and Government of India transfers making the state to rely more on public debt.
- This increased the borrowing and other liabilities against the budgeted figure.
- During April-December of the current financial year the revenue receipts and total expenditure have crossed 62% and 66% respectively of the budget estimates.

He said that there are some worries/trends:

- (i) Slackness in revenue collection, especially, Sales Tax, State Excise, Motor Vehicle Tax and diminishing central tax have contributed for the slackness in revenue collection. There are of course deficit indicators. Revenue deficit has already crossed the budget estimates and fiscal deficit crosses 80% of the budget estimate. Fiscal consolidation efforts to control non developmental expenditure and for revenue augmentation are what the Government is trying with great efforts; there has been a slight improvement in revenue mobilization.
- (ii) By 2015-16, the expenditure is expected to grow by almost 20%, especially the capital expenditure, as major infrastructure projects are going to be implemented this year. Some of the important infrastructures are in the pipe line and expected to be implemented, it is intended to give a big push to the developmental efforts of the State.
- (iii) Contingent liabilities increased against legislative ceiling of Rs. 14000 crores. Contingent liabilities as on 31.03.2014 were Rs. 9763 crores
- (iv) Without burdening the state budget, we are planning to enhance the Government guarantee ceiling to Rs. 21000 crores by amending the Kerala ceiling on Government guarantee account and that is on the anvil.

He further stated that the Government is planning to concentrate on the following important initiatives in the coming year:

- Restoring the buoyancy in the agriculture sector
- Ensure critical investment in infrastructure
- Make healthcare affordable to all
- Build up a digital Kerala
- Providing affordable housing to the poor
- Promoting entrepreneurship to those employment opportunities and
- Fulfilling the agenda of development with care.
- Motto of the Government is “Vikasanavum Karuthalum”

Concluding his remarks, **Sri. Jiji Thomson** made a request that these initiatives be funded appropriately by banks so as to be able to make a very good show in the coming year.

Dr. A. Alok Sheel, IAS, Additional Chief Secretary, Planning & Economic Affairs Department, in his address referring to the role of banking in growth and development highlighted the following points.

- Banking plays a very critical intermediation in GDP growth of the nation. For the level of growth to which India has sights to, needs huge credit expansion, For this roles of banking sector is crucial in terms of providing adequate capital to the banks from its finances, given the structure of the banking system in India, where 70% of banking sector is owned by the Government. It is a huge fiscal challenge. Historically it was the innovation of banking that lead to the industrial revolution, by aggregating small savings and making it available for industrial growth.
- Coming to Kerala, first feature which strikes one is the robust growth in deposits. The data shows that domestic deposits have grown much more than NRI deposits.
- He felt that when external flows come in to the state under balance of payment statistics flow above the line and below the line, below the line is the current account and the capital account.
- Falling of CD Ratio is major concern especially in the industrial sector.
- There is the need for the Government to take efforts in making the conduct of business better in the state, so that the secondary sector credit growth would expand.
- Agriculture and tertiary sector credit growth is better than that of secondary sector.
- There is sharp decline in agriculture during the last two years due to falling commodity prices.
- The concern nationally as well as in Kerala is that the number of people who has stuck in agriculture as a source of employment is coming down and more are migrating to secondary and tertiary sectors. One reason for this is that the growth in agriculture productivity can never match that of secondary and tertiary sectors.
- The share and growth of the tertiary sector of Kerala seems to reflect more of the features of a developed economy than a developing economy. This seems to be the real engine of the growth of the state economy. That is reflected in the banking statistics data also.
- Two other critical statistics, he highlighted are :
 - (i) the number of bank accounts which are increasingly important given the policy changes which contemplate direct transfer of subsidies to the accounts of beneficiaries through accounts .The necessary infrastructure in the banking system need to be in place to enable this transaction.
 - (ii) Data on NPAs is to be reviewed regularly It is an indication of the health of banking system.

Sri. Subrata Biswas, IAS, Agricultural Production Commissioner, Government of Kerala, his address flagged off the following issues.

- Since the 14th Financial Commission report has come, it has to be adopted and implemented.
- In agriculture sector, under Rashtriya Krishi Vikas Yojana (RKVY), 100% funding from Government of India.
- State Government who are not sharing have to now share a good percentage of RKVY programme.

- Infrastructure development in agriculture sector and priority sector advances has to increase.
- Priority sector lending, we have done extremely well in crop loan lending, whereby as at December 2014, 75% of the target is achieved. But in case of long term agriculture loan percentage achievement has been not encouraging (40%). This is one area where we have to focus. We have been getting funds under RKVY investing basically under infrastructure in the agriculture, animal husbandry sector. Now this particular amount would not be made available to us. It has to be shared with funding and looking at government's present financial condition, banking sector has to come forward.
- CD Ratio is only 66 %, we must have a quarterly action plan to boost this CD Ratio. SLBC to prepare a roadmap and some kind of allocation which should be monitored, we have come to some level of much better than what we are doing now.
- DRI loans to the vulnerable sector, is an area where we are not doing anything. A campaign mode, so that everyone can come forward and with the help of NABARD it can be done.
- Identified pockets have to be converged and ensure that required credit flow and right people are funding.
- All pending applications with bankers must be cleared with positive kind of tone so as to boost up CD Ratio in the last days of the current financial year.

Sri. Nirmal Chand, Regional Director, Reserve Bank of India in his address informed that we need to look beyond the target and look at financial growth. Then he touched up on the following points:

- (i) RSETIs – Issues related to pending clearance of land allotment to RSETIs should be expedited.
- (ii) FLCs – we have covered FLCs in all the 152 blocks in the State. More than 170 FLCs have been set up in the State. More than 70% of FLCs are not working properly. The matter has to be looked into by concerned banks.
- (iii) MSME – numbers under Micro enterprises is less. Credit under micro sector has to be increased. Only 13% achieved.
- (iv) NPAs – As at December 2013 – Rs. 1069 crores and as at December 2014 – Rs. 961 crores. Banks can put up proposal and try to recover NPAs under Education loan.

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

- Financing is important issue for the development of agricultural value chain in our context where almost 98% of the land holdings are small and marginal and their ability to compete in the market is inherently limited. This is further exacerbated by the volatility in prices which exposes their vulnerability. It is in this context, financing agricultural value chain which includes input suppliers, traders, agro-processors and agri-business gains relevance. It offers an opportunity to reduce cost and risk in financing, and reach out to small land holders. It provides a window to look beyond the direct recipient of finance, to better understand the competitiveness and risk in the sector as a whole and to design products which fit the businesses in the sector. This is an inclusive approach making resources available to farmers and small business units to integrate into higher value markets.

- The immediate reason for highlighting this aspect is the concern of all of us namely the declining or stagnating share of credit towards capital investment in agriculture which is hardly 10% to 15% of the total disbursements to agriculture.
- Being small holdings, large investments may not be viable but we cannot ignore the fact that lack of capital investment in agriculture does not help the farmers. Realizing this, the State Govt. and the Central Government, have initiated steps to incentivize capital investment in agriculture.

In conclusion, he suggested that all may keep this in mind while working on the field and initiate steps to promote this approach among their colleagues as this makes business sense also.

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

1. ADOPTION OF MINUTES

The forum unanimously adopted the minutes of the 114th Meeting of SLBC, Kerala held on 28th November, 2014, which was forwarded to the members, vide Convener's letter SLBC 35 346 2014 GN dated 8th December, 2014.

2. ISSUES RELATING TO GOVERNMENT DEPARTMENTS

2.1. PENDING ISSUES IN SLBC & ACTION TAKEN REPORT

2.1.1. SECONDARY SECTOR

2.1.1.1. Issues involved in the implementation of PMEGP Scheme

Sri. James Varghese, IAS, Principal Secretary, Local Self Government Department informed the following 3 stage process for issue of license for running an industry.

- (i) Building permit*
- (ii) License to install*
- (iii) Running permit/licence*

He informed that building permit is given once building is ready. License to install is immediately given on production of various NOCs of various statutory agencies and once it is installed running permit is given. Running license can be given only after installing the equipments concerned and this can be given only in the final stage. He informed that once the license to install is given the banks can make the disbursement.

Responding to a query, he informed that provisional licensing system is not there and that may not be possible because Department is the final authority to see all the conditions are fulfilled.

Sri. Jiji Thomson, IAS, Chief Secretary, Government of Kerala requested the Local Self Government Department to consider the issue favourably.

The forum authorized the SLBC to pursue the matter with Local Self Government Department.

(Action: Local Self Government Department)

2.1.2. TERTIARY SECTOR

2.1.2.1. Land Allotment for construction of RSETI Buildings

The forum noted the following developments regarding land allotment.

- *Kollam & Palakkad - Proposal is with Revenue Dept, Govt. of Kerala for approval*
- *Kozhikode - Land not identified*
- *Pathanamthitta - RSETI Premises at Pandalam is under litigation*

The forum noted the other issues related to RSETI

- *Ernakulam - NRLM target group Training expenses for the first half of year of 2014-15 is not reimbursed by SRLM till date.*
- *Kannur - Building tax – Rs 32659. Request for waiver.*

Sri. James Varghese, IAS, Principal Secretary, Local Self Government Department informed that in Palakkad, permit for cutting trees is pending with Forest Department and would get it soon. Idukki, there is a scarcity of water and another land is already identified and it may come through. Other cases are pending with the Revenue Department. He assured the forum that waiver of building tax at Kannur would be examined.

Sri. Jiji Thomson, IAS, Chief Secretary, Government of Kerala assured the forum that pending issues would be brought to the notice of Secretaries of concerned Department.

The forum authorized SLBC to pursue the matter with Local Self Government Department/Commissioner for Rural Development.

(Action: Local Self Government Dept/Commissionerate of Rural Development)

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

LDM, Malappuram informed that the project is not full-fledged in Malappuram District. He informed that at present system is in place, but need to activate the functionaries to do it.

Sri. K. Mohammed Y Safirulla IAS, Director, IT Mission informed that each district is operating it locally at respective Collectorate. It requires some ground work from technical angle also. Second thing is that it is not a web based system. It is located in Taluk offices only.

The forum decided that Revenue Department may take up the matter with NIC, and inform banks once it is ready.

(Action: Revenue Department/NIC)

2.1.2.3. Computerization of Land Records & Creation of a Central Registry titled National Mortgage Repository

Representative from Revenue Department informed that the process is continuing and digitalization process is completed only in Palakkad District.

The forum requested LDM, Palakkad to see the exact system and find out the beneficiaries access and ensuring that funding can be done very fast.

The forum authorized SLBC Convener to pursue the matter with Department.

(Action: Revenue Department)

2.1.2.4. Automation of Interface of State Government Treasuries with Banks

Sri. K. Mohammed Y Safirulla IAS, Director, IT Mission informed that at present the networking work is given to Keltron and the integration of service to other banks is going on with e-grass system. He informed that the initial technical testing is going on and after assumption more banks can be included.

The forum authorized SLBC Convener to pursue the matter with Finance Department.

(Action: Finance Department)

2.1.2.5. 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

The forum authorized SLBC Convener to pursue the matter with Registration / Taxes Department.

(Action: Registration / Taxes Department)

2.1.2.6. Non availability of Central Government & State Government Interest Subsidy to Education Loans availed from District Co-operative Banks & PACS

The forum decided that SLBC Cell to collect data from other cooperative banks and make a representation to the Government with Ministry of Finance, Government of India and Planning Department, Government of Kerala.

The forum authorized SLBC Convener to pursue the matter with Ministry of Finance, Government of India /Finance & Planning Departments of Government of Kerala.

(Action: SLBC /Planning Department, Govt. of Kerala)

2.1.2.7. Denial of E-Tender access facilities to customers of all banks except SBT

Sri. K. Mohammed Y Safirulla IAS, Director, IT Mission informed that this is due to technical issues of both banks and Government. It is not a Kerala specific issue, It is an all India level issue and dealt with by Department of Electronics and Information Technology and they were trying to sort it out.

The forum authorized SLBC Convener to pursue the matter with Finance & Information Technology Department.

(Action: Finance & Information Technology Department)

2.1.2.8. Noting of Equitable Mortgage created in favour of the banks in Revenue Records

The forum authorized SLBC Convener to pursue the matter with Revenue Department.

(Action: Revenue Department)

3. GENERAL ISSUES

3.1. FRESH ISSUES

3.1.1. TERTIARY SECTOR

3.1.1.1. Registration of Equitable Mortgage (Suggested by State Bank of Travancore)

The forum noted that:

A. The Registration Act, 1908 (Central Act 16/1908)

Vide GO (P) No.64/2014/TD dt. 2014 May 3rd, published as S.R.O No.268/2014 in the Kerala Gazette (Extraordinary) no III/1164 dt. 2014 May 3rd, the Govt. Of Kerala have amended the Table of Fees prescribed in Sec 78 of the Registration Act, 1908, to the effect that,

“ The registration fee in respect of instruments for securing agricultural and educational loans from the commercial banks, the mortgage deeds for securing other loans from the commercial banks and the re-conveyance deeds thereof, shall be one percent of the value subject to a maximum of Rs.500/-” This amendment has come into force on 2014 May 3rd

B. The Kerala Stamp Act, 1959 (State Act 17/1959)

Vide Kerala Finance Act, 2014 (State Act 20/2014) published as Notification No. 2500/Leg.A2/2014 /Law dt 2014 July 23rd in the Kerala Gazette (Extraordinary) no III/1899 dt 2014 July 23rd, the Govt. of Kerala have amended the following provisions of the Kerala Stamp Act, 1959,

1. In Schedule Sl. No. 37, a new clause (d) is inserted, to the effect that,

“ For mortgage deeds executed in favour of commercial banks for securing loans , the stamp duty payable shall be 0.5 % for the amount secured subject to a maximum of Rs.20,000/-”

2. In Schedule Sl. No. 37, Exemptions, a new exemption (2) is inserted to the effect that, “Instruments executed for securing agricultural and educational loans granted by commercial banks shall be exempted from stamp duty”

Representative from Registration Department informed that Government of India has initiated steps to amend registration Act 1908 to make registration of deposits of title deeds compulsory. Clause 7 of the Registration amendment bill 2013 can reach this provision by amending Section 17 of the Act add provision as Clause (G) to subsection 1 of Section 17 of the Registration Act. Registration Department is of the view that the Encumbrance Certificate from the Sub Registrar offices is the only socially and legally accepted authentic proof of encumbrance of a property. So the elimination can be checked only by noting the payment of loan in the Book 1 of the Sub Registry Offices. The safest way for the banks in the matter is to insist the applicants for loans that the loans would be sanctioned only if the deposit of title deeds is registered. Any deviation in this matter would affect the security of the mortgaged property. So the noting of the encumbrance in the revenue records as opined by the Supreme Court is a novel idea and it can be done but can be done simultaneously with the registration of document as an additional safety measure as opined by the SBT.

Sri. P. S. Rawat, Executive Director, thanked the Government for the initiatives in relaxation of stamp duty for registration of mortgage. It was decided that individual banks may take decisions at their level to go for registered mortgages in place of equitable mortgages.

(Action: Banks)

3.1.1.2. Noting of lien of the Bank in Thandaper Register of Village Office for the loans granted by the Banks (Suggested by State Bank of Travancore)

The forum authorized SLBC Convener to pursue the matter with Registration and Revenue Department.

(Action: Registration/ Revenue Department)

3.1.1.3. Noting of Sarfaesi Demand Notice by Registrar Offices (Suggested by State Bank of Travancore)

The forum authorized SLBC Convener to pursue the matter with Registration Department.

(Action: Registration Department)

3.1.1.4. Registration of UDS [Un Divided Share] (Suggested by State Bank of Travancore)

The forum decided to collect the views of major banks and submit the same to Government for favourable consideration.

(Action: SLBC Department)

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

(Suggested by State Bank of Travancore)

Representative from Registration Department informed that registration act is central act and state amendment can be made by State Government but the process would need Presidential sanction. Department is ready to make a proposal to Central Government.

The forum authorized SLBC Convener to pursue the matter with *Registration Department*.

(Action: Registration Department)

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

(Suggested by Canara Bank)

Representative from Registration Department informed that the matter of double tax is genuine and Department shall propose necessary amendment to article 5 (E) scheduled to the Kerala Stamp 1959.

The forum authorized SLBC Convener to pursue the matter with *Taxes Department*.

(Action: Registration /Taxes Department)

3.1.1.7. CSR funds for Chief Minister’s Jana Samparka Programme (Suggested by the Agricultural Production Commissioner, Government of Kerala)

Sri. Jiji Thomson, IAS, Chief Secretary, Government of Kerala informed that Chief Ministers Mass Contact Programme is going to start on 20.04.2015 onwards. To make the programme more effective, it is requested every petitioner to come up with their mobile number, UID number and UID based bank account number. So that, the next day itself, money can be transferred to the petitioners account without delay. He requested that under the CSR banks can provide some assistant which would be really great.

Sri. Subrata Biswas, IAS, Agricultural Production Commissioner, Government of Kerala suggested that there could be a committee of bankers and Government officials which can be coordinating this and by the end of 1st week of April 2015, Government would be getting the district wise requirement of these CSR funded items. So by first week of April 2015 would be getting some kind of indication and district wise these details would be available with Government and it would be brought before the committee of bankers and Government officials and then depending on the CSR policy of respective banks this may be apportioned. During the course of “Mass Contact Programme”, respective bankers can come and hand over the item, certificates or documents in the programme itself. It is because, basically State Government schemes may not be permitting certain activities and therefore attempt is made to converge resources of various bankers working in Kerala to have tangible asset creation for the really poor people. He informed that people have been advised to come with their Aadhaar number which would be linked with the petition and that would be tracked within four five days of the mass contact programme of that particular district and all things would be entered into the system. Hence, every applications coming to the portal would be addressed. He then made a request that as every banker is having their own CSR allotment for the state, if they can indicate an amount, Government would take note of the same and in due course would come out with the requirements.

Sri. P. S. Rawat, Executive Director, Canara Bank suggested that if specific activities are indicated, bankers would definitely be with the Government. Based upon the policies the banks can decide in what way they could participate. Participation for supporting wheelchair and certain other items, bankers would definitely participate. He assured that where there is a needy person within their budget we would be definitely participated into that. SLBC Cell may invite major banks for getting their opinion and inform the same to Government. He expressed doubtful that whether bankers can indicate the amount or not.

The forum decided to discuss the matter in a committee of bankers and Government as suggested by the APC.

(Action: SLBC Cell)

3.1.1.8. Debt Swap Scheme of KSRTC (Suggested by Kerala State Road Transport Corporation)

Representative from KSRTC requested banks to participate in the debt swapping process. He informed that the following banks provided the funds.

<i>Indian Overseas Banks</i>	<i>- Rs. 300 crores</i>
<i>Vijaya Bank</i>	<i>- Rs. 100 crores</i>
<i>Andhra Bank</i>	<i>- Rs. 200 crores</i>
<i>State Bank of Travancore</i>	<i>- Rs. 150 crores</i>
<i>State Bank of India</i>	<i>- Rs. 350 crores</i>

It is requested that all banks may examine the proposal. Rate of for the present debt of the Corporation is 14.5% with 3-5 years repayment.

(Action: Banks)

3.1.1.9. Akshaya Kiosk Issues (Suggested by the Director, State IT Mission)

The forum noted the following issues for compliance.

- *DFS Decision to enhance monthly fixed commission to VLES from Rs 2000 to Rs. 5000 may be put in place immediately*
- *Urban Kiosk implementation*
- *Appointing the Akshaya VLES as business facilitators for other banking business*

Sri. K. Mohammed Y Safirulla IAS, Director, Kerala State IT Mission informed that since financial transactions per account is very less, meaningful financial inclusion is not happening. He requested banks to do the meaningful kiosk banking.

The forum decided that the State level co-ordinators of the banks to take up with their Head Offices on the matter.

(Action: Banks)

3.2. PENDING ISSUES IN SLBC & ACTION TAKEN REPORT

3.2.1. PRIMARY SECTOR

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

The forum authorized SLBC Convener to convey the suggestion to the Ministry of Finance, Government of India.

(Action: Government of India/SLBC Cell)

3.2.2. SECONDARY SECTOR

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

Sri. K. Santhakumar, Deputy General Manager, RBI informed that the matter was still pending with Government of India and RBI is closely monitoring this.

The forum authorized SLBC Convener to pursue the matter with Reserve Bank of India.

(Action: Reserve Bank of India)

3.2.3. TERTIARY SECTOR

3.2.3.1. Non availability of Government of India Interest Subsidy on Education loans granted by KSCARD Bank

The forum authorized SLBC Convener to take up the matter with Ministry of Finance, Government of India.

(Action: Ministry of Finance, Government of India)

3.2.3.2. Request to consider interest relief for loanees affected by Chronic Diseases/Ailments

The forum decided to form a sub-committee of major banks and prepare a loan scheme for loanees affected by Chronic Diseases/Ailments.

(Action: SLBC Cell)

3.2.3.3. Formulation of a Reverse Mortgage Scheme for the mentally challenged

The forum noted that as per the decision of the 114th Meeting of SLBC, Kerala held on 28.11.2014 a sub-committee consisting of Canara Bank, SBI, SBT constituted and that committee has formulated a Reverse Mortgage Scheme for the mentally ill persons covered under the Mental Health Act of 1987 which was provided in the agenda and background notes. The forum adopted the scheme for implementation and decided that the draft scheme be submitted to the Hon'ble High Court of Kerala for the court's views.

(Action: SLBC / Banks)

3.2.3.4. Higher rate of interest charged on Education loan in the State

Sri. Nirmal Chand, Regional Director, Reserve Bank of India clarified that the rate of interest of a product can be decided by individual banks as per the prevailing policy. The pricing of a product is decided based on many parameters including the cost of funds and level of NPA and therefore there cannot be a uniform prescription applicable to all banks.

3.2.3.5. Establishment of Financial Literacy Centres (FLCs) in all blocks of the State

The forum noted that Status & Progress Report as at September 2014 pertaining FLCs established in the State provided in the agenda & background notes.

Representative from Reserve Bank of India informed that RBI is conducting a workshop for FLCs on 31.03.2015 requested concerned banks to ensure that FLC Counselors attend the workshop.

3.2.3.6. Education Loan - Management Quota (Admissions)

The forum noted that as per the decision of the Special Meeting of SLBC, Kerala held on 30.01.2015 at Trivandrum a sub-committee consisting of major banks constituted have examined the issues related to Education Loan (Management Quota Admissions) in detail and the committee arrived at a conclusion in all the issues and recommendations were placed in the agenda & background notes.

The forum decided that the recommendations of the sub-committee be placed before the boards of respective banks for approval.

(Action: Banks)

3.3. INFORMATION NOTES

3.3.1. Death Claim settlement for PMJDY account holder (Suggested by LIC of India)

The forum noted the contents for information.

3.3.2. Lack of security in ATMS – Need for effective measures (Suggested by Home (M) Department, Government of Kerala)

The forum noted the contents for information.

3.3.3. Progress Report on Filing of EM records (Suggested by CERSAI)

The forum observed that data extraction from the CERSAI site has to be made user friendly and noted the contents for information.

3.3.4. Scheme for financing Society for Assistance to Fisherwomen (SAF)
(Suggested by Directorate of Fisheries)

The forum noted the contents for information and requested the Directorate of Fisheries to provide the district wise details of fisherwomen based activity groups linked so that SLBC Cell can take up the matter with the Controlling Offices of concerned Banks and LDMs.

3.3.5. Implementation of Coir Udyami Yojana [formerly known as Rejuvenation, Modernization and Technology Upgradation (REMOT) of Coir Industry]
(Suggested Coir Board)

The forum noted the contents for information. Coir Board was advised to place the matter as special agenda in DLRC meeting of Alappuzha District.

3.3.6. Weavers Credit Card – Progress Report – Note by Directorate of Handloom & Textiles

The forum noted the progress report on Weavers Credit Card for information and requested Controlling Offices of all banks to take necessary action to sanction loans under weavers credit card.

3.3.7. Kerala State Adarsh Gram Yojana

The forum noted the contents for information.

3.3.8. National Rural Livelihood Mission – Aajeevika (Suggested by Kudumbashree)

The forum noted that out of 1000 target during the year, the SRLM is short of 700 to meet the target. SLBC Cell had circulated the district wise, bank wise list of NHGs that can be linked and requested banks to act accordingly.

Issues relating to Interest subvention of NRLM – Aajeevika

- *In Category II districts, NRLM compliance of a group has to be marked in the MIS by the SRLM. In Kerala, the Kudumbashree Mission is marking only their groups as complaint. As a result Non-Kudumbashree groups are excluded*
- *To solve this both SLBC and NABARD has suggested that the certificate from the Bank Branch Manager may be accepted. Kudumbashree is to decide on it*

The forum noted the above for information.

Representative from Kudumbashree informed that mission has decided to give interest subvention to all non kudumbashree units.

3.3.9. Multiple loans for same course (Suggested by Indian Overseas Bank)

The forum noted the contents for information.

3.3.10. IBA - Child & Youth Finance International (CYFI) Collaboration for Transforming School Students in to economic citizens (Suggested by SLBC Cell)

The forum noted the contents for information.

3.3.11. Short film on Financial Literacy Programme (Presentation by DCB Kollam)

The forum noted that DCB Kollam has made a remarkable effort in Financial Literacy campaign and have documented the same. CD containing the document provided by DCB Kollam was circulated to all members of SLBC for information.

3.3.12. Bill Discounting Scheme of Government of Kerala

The forum noted the contents for information and requested all banks to participate in the scheme.

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

The forum concurred with the review of the performance under various sectors as at December 2014 Quarter provided in the background notes supplied.

The 115th meeting of SLBC, Kerala concluded with the above deliberations.

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

LIST OF PARTICIPANTS

CHAIRMAN OF THE MEETING

Sri. P. S. Rawat

Executive Director, Canara Bank

GOVERNMENT OF KERALA / GOVT. OF INDIA / DEVELOPMENTAL AGENCIES

- | | |
|-------------------------------------|--|
| 1. Sri. Jiji Thomson, IAS | Chief Secretary, Government of Kerala |
| 2. Dr. A. Alok Sheel, IAS | Addl Chief Secretary, Planning & Economic Affairs Dept |
| 3. Sri. Subrata Biswas, IAS | Agricultural Production Commissioner |
| 4. Sri. James Varghese, IAS | Principal Secretary, Local Self Government Department |
| 5. Sri. K. Mohammed Y Safirulla IAS | Director, Kerala State IT Mission |
| 6. Sri. Suresh Kumar V. S. | Additional Secretary, Taxes Department |
| 7. Smt. Susan Gopi | Under Secretary, Revenue Department |
| 8. Sri. Sudhir K. | Additional Director of Industries & Commerce |
| 9. Dr. K. Prathapan | Director, State Horticulture Mission |
| 10. Sri. K. N. Jayachandran | Joint Director, Dairy Development Department |
| 11. Sri. V. Prakash Tampi | Joint Director of Agriculture |
| 12. Sri. Murali M. Nair | Assistant Director, Scheduled Tribes Department |
| 13. Sri. V. M. Unni | Deputy I.G. of Registration, Registration Department |
| 14. Dr. S. Sunil Kumar | Deputy Director, Animal Husbandry Department |
| 15. Sri. Jayakumar M. | Deputy Director, Agriculture Department |
| 16. Sri. K. Satheesh Kumar | Deputy Director, KVIB |
| 17. Sri. T. Mathew Philip | Deputy Registrar, Department of Cooperatives |
| 18. Sri. P. R. Sreekumar | Director, Kudumbashree |
| 19. Sri. Pradeep R | Development Officer, KVIC |
| 20. Smt. Rugminidevi K. C. | Managing Director, SFAC |
| 21. Sri. R. Sudhakaran | General Manager, KSRTC |
| 22. Sri. Henry Thomas | Extension Service Officer, Coir Board |
| 23. Sri. K. C. Johnson | Assistant Director, MSMEDI |
| 24. Sri. Murugan G. | Zonal Coordinator, Akshaya |
| 25. Smt. Usha A. P. | Divisional Manager, United India Insurance Co. Ltd. |
| 26. Smt. Deepa Sivadasan | Divisional Manager, LIC of India |
| 27. Sri. K. S. John | Regional Manager, Oriental Insurance Co. Ltd. |
| 28. Sri. V. L. Kesavadev | Assistant Branch Manager, LIC of India |
| 29. Sri. C. G. Harikumar | Superintendent for Commissioner, Land Revenue |
| 30. Sri. B. Sunilkumar | Coir Board |

RESERVE BANK OF INDIA

- | | |
|------------------------|---------------------------|
| 1. Sri. Nirmal Chand | Regional Director |
| 2. Sri. K. Santhakumar | Deputy General Manager |
| 3. Sri. V. Reveendran | Assistant General Manager |
| 4. Smt. Dhanya V. | Assistant Director |

NABARD/SIDBI/National Housing Bank

- | | |
|---------------------------|-----------------------------------|
| 1. Sri. Ramesh Tenkil | Chief General Manager, NABARD |
| 2. Sri. Vinod C. | Assistant General Manager, NABARD |
| 3. Sri. R. N. Karthikeyan | Manager, National Housing Bank |

STATE BANK GROUP

- | | |
|-----------------------------|-------------------------------|
| 1. Sri. C. V. Venkatesh | General Manager, SBI |
| 2. Sri. G. Madana Mohan Rao | General Manager, SBT |
| 3. Sri. M. Vijaya Kumar | Deputy General Manager, SBI |
| 4. Sri. B. Ramakrishna | Deputy General Manager, SBT |
| 5. Sri. V. K. Mohanan | Manager, State Bank of Mysore |

PUBLIC SECTOR BANKS

- | | |
|-----------------------------|--|
| 1. Sri. N. Sai Prasad | Deputy General Manager, Indian Overseas Bank |
| 2. Sri. K. A. Ravishankar | Deputy General Manager, Punjab National Bank |
| 3. Sri. R. Nellaiappan | Deputy General Manager, Union Bank of India |
| 4. Sri. V. A. Prasanth | Deputy General Manager, Indian Bank |
| 5. Sri. Rajshekar Bhaskaran | Regional Manager, Central Bank of India |
| 6. Sri. Vinod Kumar P. | Assistant General Manager, Syndicate Bank |
| 7. Sri. K. Muruganandan | Assistant General Manager, Bank of India |
| 8. Sri. Sanjay U. Manohar | Assistant General Manager, IDBI Bank |
| 9. Sri. N. Subramanyam | Chief Manager, Vijaya Bank |
| 10. Sri. S. Lakshmanan | Chief Manager, Corporation Bank |
| 11. Sri. Amresh Kumar | Chief Manager, Bank of Baroda |
| 12. Sri. Manish Pillay | Chief Manager, Allahabad Bank |
| 13. Sri. K. V. S. S. Prasad | Chief Manager, Andhra Bank |
| 14. Smt. Jayasree V. R. | Chief Manager, Bharatiya Mahila Bank |
| 15. Sri. Edvin Paul | Chief Manager, UCO Bank |
| 16. Sri. K. Ramesh | Chief Manager, Oriental Bank of Commerce |
| 17. Sri. Raghunath N. Sarma | Chief Manager, Dena Bank |
| 18. Sri. Biju Kumar D. S. | Senior Manager, Indian Bank |
| 19. Sri. M. K. Jayarajan | Senior Manager, Syndicate Bank |
| 20. Sri. E. V. Sudhakaran | Senior Manager, United Bank of India |
| 21. Sri. Rajesh M. | Manager, Central Bank of India |
| 22. Sri. Harisankar P. | Manager, Indian Overseas Bank |
| 23. Smt. Yamini S. Kumar | Branch Manager, Bank of Maharashtra |
| 24. Smt. Sreekumari Amma A | Assistant Manager, Punjab & Sind Bank |

CONVENOR BANK (CANARA BANK)

- | | |
|---------------------------|----------------------------------|
| 1. Sri. U. Ramesh Kumar | Convenor, SLBC & General Manager |
| 2. Sri. S. Ramesh | General Manager |
| 3. Sri. C. G. Nair | Deputy General Manager |
| 4. Sri. K. Hariharan | Deputy General Manager |
| 5. Dr. T. V. Duraipandi | Deputy General Manager |
| 6. Sri. George Mathew | Divisional Manager |
| 7. Sri. G. Nandakumar | Senior Manager |
| 8. Sri. N. Prasanth | AEO |
| 9. Smt. Shini S. H | Computer Programmer |
| 10. Smt. Anila J. Andrews | Officer |

REGIONAL RURAL BANK

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

PRIVATE SECTOR BANKS

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|------------------------------------|--|
| 1. Sri. K. I. Varghese | General Manager, Federal Bank |
| 2. Sri. P. B. Krishnadas | Deputy General Manager, South Indian Bank |
| 3. Sri. Jayakumar R. Nair | Deputy General Manager, ICICI Bank |
| 4. Sri. Rajesh P. | Assistant General Manager, Dhanlaxmi Bank |
| 5. Sri. Jose K. Alappatt | Deputy Zonal Manager, Catholic Syrian Bank |
| 6. Sri. Korah Abraham | AVP, AXIS Bank |
| 7. Sri. Jitheesh Janardhanan | AVP, HDFC Bank |
| 8. Sri. Deepu Nair | AVP, Indus Ind Bank |
| 9. Sri. C. K. Anil Kumar | Deputy VP, Axis Bank |
| 10. Sri. Shibu Thomas | Zonal SME Agri Business Head, Federal Bank |
| 11. Sri. Vikram Singh | Relationship Executive, Jammu & Kashmir Bank |
| 12. Sri. K. K. Balachandran | Senior Manager, Karur Vysya Bank |
| 13. Smt. Sobha Manoj | Manager, ICICI Bank |
| 14. Sri. T. S. Venkata Subramanian | Manager, City Union Bank |
| 15. Sri. Thomaskutty Varghese | Assistant Branch Manager, Karnataka Bank |

CO-OPERATIVE BANKS

- | | |
|-----------------------------|--|
| 1. Sri. V. Prabhakaran Nair | General Manager, Kerala State Co-operative Bank |
| 2. Sri. N. Jayaprakash | Deputy General Manager, Kollam District Coop. Bank |
| 3. Sri. S. Kalyana Krishnan | Agricultural Development Manager, KSCARD Bank |
| 4. Sri. B. Omanakuttan | Planning & Development Officer, Kollam District Coop. Bank |

LEAD BANK OFFICES

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