

**MINUTES OF THE 119<sup>th</sup> MEETING OF  
STATE LEVEL BANKERS' COMMITTEE, KERALA**

Held on 30.09.2016 (Friday)  
at Hotel Residency Tower  
Govt. Press Road, Trivandrum

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

**Sri. N. Sivasankaran**, Convenor, SLBC & General Manager, Canara Bank welcomed the participants to the 119<sup>th</sup> meeting of SLBC Kerala. He informed that the banking sector was passing through a challenging phase with rise in stressed assets. In March 2016 there was strain on the bottom line and balance sheets of many banks. But by June 2016 most of them have made a comeback in the process of recovery, which itself shows the robustness of Indian banking. Still we have to scale up our lending activity and reduce our NPA. So, let us put our effort in the above aspects and work dedicatedly, so that the banking industry as a whole retains its good health.

He then briefly touched upon the performance in some major portfolios.

- Percentage achievement under ACP in Priority Sector till June 2016 is 17% of the Annual budget. The performance under primary sector 20% is comparatively satisfactory, though the secondary sector shows only 13 % growth, if the performance under agro food processing is also taken in to account, the performance under the sector is reasonable and the tertiary Sector performance @ 16% needs a bit of improvement. He requested all bankers to step up lending in all possible segments in this fiscal year.
- An area where all of us have to concentrate is in increasing investment credit to agriculture. Though we have achieved 20% of total advances under Agriculture credit, which is 2 % above the mandatory requirement of 18 %, it is mostly through short term credit. The share of term loans is only 1/5th of total agriculture credit. A healthy proportion of Long term investments are essential for a sustained growth of Agriculture sector.
- It is observed that wide variation in performance among districts under priority sector. While districts like Malappuram @ 26% and Kozhikode @ 23 % have achieved above state average there are 7 districts which have achievements below the state average. They are Trivandrum @ 8 % , Pathanamthittaa @ 9 % , Kottayam @ 11%, Ernakulam @ 14 % , Alappuzha @ 16 % , Idukki @ 16 % and Kannur @ 16 % . He requested the LDMs to analyze the reasons for the low performance and take necessary corrective measures to reach the targets.
- Y-o-Y Business growth for the year ended June 2016 has been subdued at 11 % , compared to last fiscal. While the total Deposits grew by 13 % , Advances has grown only by 9 % .
- NRE Deposit growth was 22 % against the 25 % in the previous year and domestic deposits growth was 8 % against the 11 % in the previous year.

- The high Rate of NPA in certain sectors is another matter of great concern for the banks and the state as well. While the overall NPA of 4% is in itself high, NPA in Education loan sector is 12% causing us much concern. If the Education Loans granted in the last three years and which are not due for demand are excluded, the actual NPA percentage will go up alarmingly
- The NPA rate in MSME sector is also high at 6 % due to high slippage in this segment which needs special attention especially in the wake of added thrust being given for the MUDRA Scheme.

Taking into account the need to keep the banks in robust health, to carry the developmental initiatives forward, he requested the Government to strengthen their hands by invigorating the Revenue Recovery machinery for the recovery of bank loans.

- Banks in Kerala have never shied away from the responsibility of lending for education needs. We have assisted around 4 lakh students to pursue higher education, with Rs. 9716 crore outlay as education loans.
- Increase in NPA under Education Loan is a major concern for banks. It has crossed 12% of the outstanding. He noted that this matter has come to the attention of the Government of Kerala also. He extended thanks to Hon'ble Finance Minister of Kerala for announcing a repayment support scheme for education loan in his revised budget. The Government has put a token provision of Rs.100 crore in the budget for this purpose We are eagerly awaiting guidelines from the Government in this regard.
- He expressed concern that the PMAY scheme is yet to take off as expected. Even though the scheme was launched in 2015 July, the progress in Kerala State is not up to the mark. Our level of sanction is hardly 140 till date. We need to take the scheme forward with greater vigor.
- Stand up India scheme is to support SC/ST/Women's green field projects through banks. Here too our performance is below expectation. From the data available in the standup mitra portal web package, we have only 164 sanctions for the entire state. One reason for this slow performance is that banks are not uploading the sanctioned details in the Stand up India portal. When SLBC collected data directly from the banks they reported to us 411 sanctions. Not only that we need to improve the sanction level, we also required to upload the data then and there. For all purposes Government of India will take into account only data uploaded in the portal.

While concluding his address, Sri. Sivasankaran once again welcomed the dignitaries attending the meeting.

**Sri. Dina Bandhu Mohapatra**, Chairman of the Meeting & Executive Director of Canara Bank in his presidential address extended a hearty welcome to all participants on behalf of SLBC Kerala. He informed that it was a matter of joy as well as pride to co-chair the meeting of SLBC Kerala. The state had registered Numero Uno status in implementation of PMJDY scheme in letter and spirits. All the stake holders of the SLBC, be it bankers, the State and District administrations, various Government departments, RBI, NABARD, have been actively participating in all the endeavours of SLBC in making it one of the best SLBCs in the country. He informed that RRB in Kerala is number one in the country.

We are at the last day of the first half of the current fiscal and we have still considerable time ahead to act to achieve Annual Credit targets. In this context, the review of performance is very vital to take corrective actions wherever required.

Generally development steps take place after October. Till September, always in all States developmental activities are little bit subdued and then October onwards everything will move in a fast track.

With the launch of Pradhan Mantri Jan-Dhan Yojana (PMJDY), followed by launch of Social Security Schemes, Pradhan Mantri Mudra Yojna and Stand Up India, the banking sector has witnessed sudden surge in Financial Inclusion activities and banks have taken major initiatives in reaching out to the financially excluded population.

The Department of Financial Services, Ministry of Finance, Government of India has initiated a 45 days Special Drive for Financial Inclusion initiatives starting from 15<sup>th</sup> September to 31<sup>st</sup> October 2016 with intensive thrust for;

- Aadhaar seeding in various categories of Bank accounts like Central Government Pensioners, beneficiary accounts of DBT, all operative SB accounts accounts etc.
- Mobile seeding of bank accounts.
- RuPay Card activation and distribution
- Aadhaar enrolment
- Orientation, counselling and sensitization of BCs/Bank Mitrs to increase their level of activity.
- Involvement of Financial Literacy Centers in educating the beneficiaries about the benefits of Aadhaar seeding, RuPay Card usage, claims processing, on sanction & availing overdraft, importance of savings etc. through videos of financial literacy
- Grievance redressal of public in respect of social security schemes
- Increasing awareness on the 6 flagship schemes of DFS
- Handholding of customers for credit linkage with a special focus on Pradhan Mantri Mudra Yojana and Stand Up India through SIDBI, NABARD, RSETIs, DICs and linking borrowers to connect centres under SUPI.
- Maximizing enrolments under social security schemes ie. PMSBY, PMJJBY & APY.

He mentioned that the way DFS in monitoring all these schemes was unique. Every week they are having VC to boost activities under the programmes all over the country. Kerala is one of the frontrunners in implementing all the central sponsored schemes.

He took the opportunity to impress upon all the stake holders to come up in response to the call given by DFS and ensure phenomenal success of the drive in the state, as exhibited by team Kerala in the past. This calls for highest level of coordination amongst bankers and Government Machinery in joining hand to meet the objectives of the national programmes. The role of District Collectors and Lead District Managers is very vital to make the drive effective. He called upon LDMs to work with more vigour and enthusiasm in doing so.

While mentioning this, he appreciated their involvement and contributions through which only it was possible to achieve the progress that has been made till now. Bankers are committed as social agents of Government of India and we will continue to strive to achieve our higher level of participation.

Touching upon the performance of the banking industry in the state, **Sri. Dina Bandhu Mohapatra** briefly highlighted the performance, as at June 2016.

- During the YoY period the Branch network in the state improved to 6213 with the addition of 203 branches compared to the addition of 255 branches during corresponding previous year.
- Deposits of commercial banks in the state grew by 11% Year on Year, to reach Rs.3.70 lakh crores. However, growth over March 2016 is only 2%.
- Advances of commercial banks have grown by 14% during last one year to reach Rs.2.37 lakh Crores. However, there is meager growth of 2% during first quarter of current financial year.
- CD ratio has declined to 64% from 67%, during the last year. This is a cause of concern and calls for a serious relook by all banks for venturing into newer avenues for expanding credit.

He informed that every State is having customized schemes including Kerala also. Though Customized schemes should be popularized so that local population should be more included in the financial services and growth would also be very significant.

- Under Annual Credit Plan, the banks have done reasonably well. However, performance under MSME (12.5%) and other Priority Sectors (16.2%) needs improvement.
- In terms of RBIs directions, all villages with population of over 5000 are to be covered with bank branches. In the state of Kerala only six such villages have been identified for branch opening for this year. He appreciated the initiative of Kerala Gramin Bank in agreeing to open branches in 5 out of 6 such villages and has already opened two. State Bank of Travancore has assured to open other one. He urged upon Kerala Gramin Bank and SBT to open the remaining branches before December 31, 2016, so as to declare 100% coverage, another first for the state. That will also help the bankers as well as local population.
- All the banks together have disbursed Rs 841 Crores under MUDRA loans during the first quarter of current financial year.
- All the banks together have mobilised close to over 39 lac enrolments under the three Social Security Schemes, Pradhan Mantri Jivan Jyoti Bima Yojana, Pradhan Mantri Suraksha Bima Yojana & Atal Pension Yojana. They are all very popular schemes and bankers have done very good job and to be continued this good job so that 100% inclusion is possible.

The banks in the State have performed well under many of the parameters. But, there are a few concern areas requiring immediate attention of all of us, like increasing NPAs under educational loans. This is more or less pan India phenomenon. He made a request both Government officials and bankers to work together to achieve reduction in NPAs in order that banks can still continue to extend support towards this sector so that education for anyone in the country should not be denied for want of financial support.

He then touched upon few of the important agendas to be deliberated in the meeting.

- Four brick & mortar branches yet to be opened in unbanked villages with a population of over 5000. Three to be opened by KGB and one by SBT.
- Streamlining the functioning of Akshaya Centres is one of the long standing issues. It is observed that due to various reasons, the performance of Bank Mitra channel in the form of Akshaya Centres is far from satisfactory. The transactions carried out are very low, defeating the purpose of extending banking facilities to the financially excluded population. Banks and CSC eGovernance, have to address technology and monitoring issues to make this channel more vibrant and purposeful. He added that Bank Mitras are doing well all over the Country. Considering all our interests, to popularize and motivate Bank Mitras which will in turn give adequate support to banks while rolling out new schemes. Hence we have to motivate and encourage these Bank Mitras for engaging in this activity.
- Financial Literacy Centres haven established in all the blocks of the state. However, many of them are not functioning well and some are defunct. He called upon all the sponsoring banks to ensure that the FLCs are provided with counselors with banking experience, and other infrastructure besides critically monitoring the activities. In this juncture, he pointed out that once we have established FLC, then it is our duty to see that they are not only open but they also deliver.
- One of the long standing agendas of the SLBC is the allotment of land for construction of RSETI buildings. Substantial time has elapsed in pursuing the matter with the revenue and other departments for getting the allotment or permission in respect of 4 districts (Kozhikode, Palakkad, Kollam and Pathanamthitta). He requested the State Government machinery to extend their support in this regard It will be in the interest of the general public. In fact Canara Bank is one of the founding members of RUDSETIs. RUDSETI was started through initiatives of Canara Bank, followed by other banks. Ultimately it was taken up by Government of India. While visiting the RUSSETI at Manjunath, it could be seen that they are creating so much employment and people are very happy. 82% of the people trained are engaged. So RSETI training is a great source for employment and income generation for the public at large. He requested the State Government representative to extend full support in this regard.
- Special drive has been initiated by DFS, MOF, for financial inclusion initiatives with intensive thrust for Aadhar seeding, Mobile Seeding, sensitization of BCs / Bank Mitra, enrolment under Social Security Schemes and PMMY & SUI.
- Banks need to give focused attention for issuance of RuPay Debit Cards, activation and monitoring of Bank Mitras in order to reap the intended benefits of Pradhan Mantri Jan Dhan Yojna.

- Pradhan Mantri Mudra Yojna and Stand up India are other two important programs launched by the Government of India. He requested all banker friends to take active part in these programs. The State Government machinery is requested to support to the bankers so that the Government of Kerala and people at large are benefitted.

He then urged upon all the stake holders to concentrate on certain priorities;

- All out efforts from all the stakeholders for making the special drive of financial inclusion initiatives a grand success in the state.
- Venturing in to newer areas for enhancing flow of credit to improve the CD ratio.
- Invigorate FLCs to function more efficiently, in imparting Financial Literacy, which is the key factor for the success of financial inclusion initiatives.
- Ensuring more enrolments under Social Security Schemes PMJJBY, PMSBY & Atal pension Yojana, with special focus on PMJDY beneficiaries.
- Strengthen the infrastructure for Kiosk Banking and Business Correspondents to increase transactions.
- Inculcate the habit of thrift and savings amongst the rural mass by transactions through their bank accounts.
- Opening of branches in the remaining 3 unbanked villages.
- 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. Instead of pushing the targets at the end of the year let us do it every month so that, it will not only benefit the public but also the bankers.
- Ensuring Aadhar seeding of all operative bank accounts before March 2017 as per the call given by Department of Financial Services, Ministry of Finance, Government of India.
- Ensure coverage of all the eligible farmers in the state under Pradhan Mantri Fasal Bima Yojana. It is a new scheme, it has been designed to help the farmers who are the real hard workers of the country and these schemes should be popularized and bankers should take it to the last mile so that all farmers are benefitted by the scheme. Bankers are also be benefitted by the protection of their credit to the farmers. Let us engage ourselves more actively under the PMFBY.

It is gratifying to note that the state Government has been extending all possible support the banking fraternity. A cordial and mutually supporting relationship continues to exist between Banks and State Government in Kerala. On behalf of all the bankers, he extended thanks to the Hon'ble Finance Minister and his entire team for the support being extended.

Finally, on behalf of the convener Bank, he extended thanks to the Central and State Governments, various developmental agencies, RBI and NABARD for the excellent support and co-operation being rendered to the banking sector in the State over the years. He reassured the State Government on behalf of all the member banks that we would together strive for the Socio economic development of the state.

Before concluding his address **Sri. Dina Bandhu Mohapatra** requested all the bankers to actively deliberate on various issues to arrive at logical conclusions. This is the occasion for all of us to share their concern and challenges so as to address the issues together.

**Sri. S. M. Vijayanand, IAS, Chief Secretary**, Government of Kerala in his keynote address highlighted the following points.

- We need to turn up our sub State Banking Committees. Though we have fairly active district level committees they need to be improved further. The Block level Committees never really got up. In Kerala we have potential for activating them.
- Just 10 days back, Government has announced 6 development missions covering large sectors of development in Kerala. Bankers have very important role in helping us to achieve what we intend in that missions.
- We will be having a total housing mission which is not just infrastructure. It will have a livelihood component integrated with it. So we would require the support of bankers for livelihood and possible gap filling loan to the beneficiary, not to the Government. We would be providing a flat costing Rs. 5 or 6 lakhs with a subsidy to the tune of Rs.2 to Rs. 3 lakhs. The rest of it could be a housing loan linked to livelihood so that repayment is easy.
- Another mission is for health. One of the components is comprehensive mission focussing on primary health and on the life style diseases of Kerala. But one important thing required is OP Department transformation, to make it easy for the citizens to avail the services. It has been done extremely well in the AIMS, New Delhi. So we want to do it in Medical Colleges and RCC at first and later in other hospitals down and down depending on its success. So there banks have a CSR role which could be an advertisement to them. For example in AIMS all the facilities were set up by TCS free of cost as kind of as Corporate Social Responsibility. If Lead Bank could take up in those 5 medical colleges, some kind of facility for the Out Patients to make them comfortable, then the name of the bank would be registered in memory and it is not very costly.
- Education upgradation mission infrastructure plus IT based education, which is a very massive attempt to reach international levels in public schools.
- More direct relevance to banks is another mission, ie. Haritha Keralam (Green Kerala) – which actually is 3 missions put together.
  - ✓ Total sanitation, not just declaring ourselves Open Defecation Free which we would be doing by the end of next month. But this is total sanitation. Which of course has indirect effects and the study says that, perfect ideal sanitation conditions could add upto 6% points in the GDP. Even a 2% points is very significant.
  - ✓ Integrated Watershed management which will certainly help all our efforts in the primary sector.
  - ✓ The third mission would be Organic farming in .which what are the things we could do. First of all use of experts. Lot of agencies are working on it. NABARD has lot of experts. Lot of other people also know the subject. So at their level NABARD could facilitate their joint working with Block level or District level missions.

- ✓ Loans to JLGs - we need to work out modalities to make it easier.
  - ✓ Huge horticulture hub which can come up in the Anchinad area of Idukki – (The 3 Panchayats Marayoor, Kanthloor, Vattavada) on the other side of the Western Ghats. It is actually part of the Pambar part of Cauvery watershed. Few places farming is practiced in Kerala. Rainfall is very low. But they can produce high quality temperate zone vegetable – Cauliflower, carrot and the like which cannot easily be produced in the rest of Kerala. Apples also grow there. But they are poor farmers. So following the mother dairy model / Anand model they can provide vegetables for the richest region of Kerala starting from Chengannur, Thiruvalla upto Thrissur. A model of supply chain from the poorest region to the richest region of Kerala. Rather than credit, structural assistance is to be provided to the area. We are in touch with Ministry of Agriculture and had two rounds of discussions with experts. It will be a great contribution equally significant as what has been done in Anand decades back.
- Referring RSETIs he informed that 10 RSETIs have got sanctioned land, remaining 4 pending for no valid reasons. In Kozhikode, the land has been identified. Badagara Block is willing to give land. There is a pattern of transferring block land – it is a kind of joint ownership. In Palakkad, the Parali Grama Panchayat has agreed and proposal with the Government. In Kollam, it is tossing between two places, Kottarakkara and Kottiyam for a very long time. If it is not materialising, the land can be found in ETC, Kottarakkara which is a Government land. Government can consider it. All of the above would be followed up.
  - In Pathanamthitta, there is a problem. Due to a High Court case, the land identified in Pandalam cannot be used. Getting out of the case may take a long time. The District Collector has been asked to identify alternate land. Probably, land may be available in Konni. If it is there, we could immediately complete all the 14 districts. He assured the forum that, he would personally follow it up.
  - Referring Education loan, he pointed out that four lakhs students have got loans, but the NPA is uncomfortably high. The Government is taking an initiative at the highest level, involving Chief Minister, Finance Minister, Chief Secretary, Secretary (Finance), Secretary (Planning). We want to structure a package so that we can get out of the NPA to the extent possible. Because, more than any other state, Kerala needs more Education loans for a long time. According to per capita and per student statistics, Kerala state is availing the highest quantum of Education loans.
  - Unfortunate thing is the unusual low of Rainfall in the State. Threat of Drought looms large unless the rain in October November is good. We should be prepared in all respects particularly Wayanad and Palakkad has been badly affected. Even big rivers have gone dry. Let us be prepared
  - Today is a big day, we have a very innovative Fund, the Kerala Infrastructure Investment Fund Board and the Finance Secretary will be explaining its features in detail. It intends to mobilise Rs. 50,000 crores to be used for high quality development which will boost the local economy. It will have special features. There will be a trust advisory commission which ensure that the money is not diverted to any other purpose.

- Kerala is the national leader in many fields and it has been mentioned so many times by Hon'ble Prime Minister and Finance Minister. In Jan Dhan Yojana, Aadhaar and Mobile connectivity Kerala is far ahead. Kerala is the only State which is connected upto the Grama Panchayat level to the national optic fibre network. These are all big things which can by themselves boost the development of Kerala. We again need to put our efforts together, at district level particularly to use these huge advantages which Kerala had acquired.
- Government has given very clear policy which would translate into action on GAIL project which would also boost the development projects like National Highway widening and more importantly for developing the industrial corridor from Kochi to Palakkad.
- Referring Credit for NHGs or SHGs, he pointed out that all put together, the NGO led, through self help groups, and through Government, finance to this sector is very low by national standard or standards of good performing states like Andhra Pradesh and Tamil Nadu. The figures must be touching Rs. 70,000 crores in the undivided Andhra Region whereas we are at around Rs.2500 crores. Going by size, we should have reached Rs.25000 crores where as we are at 1/10 of our potential. All of us have to work together on that.
- Referring Finance Literacy, it is quite good, but requires to be little more formalized so that the Community Resource person in Kudumbashree will be able to serve as formal Literacy Volunteer so that we can take the movement forward. Last time we have discussed the possibility of including financial literacy in the school curriculum. We want to include 2-3 major items in the curriculum and will be taken up within a month or two.
- Though Social Security Schemes and schemes like Start Up and Stand Up are doing well in Kerala, linking with Governmental programmes are not as strong as we would like it to be. We would be focussing specifically on that so that Kudumbashree and other field people can link up with these kinds of programmes which will take the advantage of these schemes to the poor citizens.
- Referring long pending agenda items, he informed that first meeting would be held soon and by the end of the financial year we hoped to bring most of them towards a positive closure

**Dr. K. M. Abraham IAS**, Additional Chief Secretary, Finance Department, Government of Kerala in his address informed that he was standing there on a special purpose with a focussed mission which the Government of Kerala has planned to launch shortly

He then picked up two points which were mentioned by Chief Secretary in his address.

- ✓ Education Loans –In the early 80's people were coming to Secretariat with a request for money to buy some agriculture inputs like a buffaloe or to construct a house. But at present vast majority of the people who come to the Government Secretariat for the redressal of their grievances are the parents of students who availed loans from banks. This is a matter of serious concern. State Government and banks with the SLBC leading, want to come up with some concrete steps to address the problem. If this problem is not addressed, it is clearly going to get out of hand and will lead to a serious socio economic situation.

- ✓ We have not been able to get the right kind of convergence of the various schemes that are administered by the government and not been able to take the advantages of JAM schemes. We have a huge and strong social security network which should be using the convergence to leverage on possibilities of the JAM schemes to their benefit. But it has not happened. We need to spend some time and focus on that.

He then made an introduction of Kerala Infrastructure Investment Fund Act 1999. In Kerala to look at the numbers, we suffer from a serious infrastructure deficit. The capital expenditure of the State put on its Budget is something like 1.5% of our Gross Domestic Product (GDP) whereas in most of the other States outlay is higher and in some states it is as high as 7-8% of the GDP. But most of the progressive states in India, not only have a huge emphasis on capital expenditure in their budget, but they also have a huge set up of private sector corporate and public sector corporations working in the space of infrastructure. In most of the trendy states we can see good roads, power plants, dams etc. It is only because the combined might of the public sector, private sector and Government actually makes it possible through their capital expenditure practically 10-15 times of what Kerala is able to achieve. The survival of Kerala depends on actually giving a quick start or actually covering up the deficit that we suffer in infrastructure. It is with this objective that the Government have come out with some radical ideas on how we have to go about. As the Chief Secretary mentioned, we have an ambitious plan of raising about Rs. 50,000 crores in the next couple of years, which is a big target.

Kerala Infrastructure Investment Fund Act came in 1999 in a totally different scenario, where the State was in effective crisis. But that structure has now been made the anchor for the current, revitalized Kerala infrastructure investment fund. On 03.10.2016, this is coming before the subject committee which will go into the provisions of the bill and that reflects the seriousness of Government to have this bill in place within 125 days of its assuming power. We will be actually having a total full-fledged bill which will lay the case of foundation for this huge infrastructure effort.

He then made a detailed power point presentation on Kerala Infrastructure Investment Fund Act 1999 amended by the Kerala Infrastructure Investment Fund Act (Amendment) Ordinance 2016 (August 17 2016).

#### KIIFB General Body

Chief Minister	Chairman
Minister for Finance	Vice-chairman
Vice-chairman State Planning Board	Member
Chief Secretary	Member
Secretary (Law)	Member
Secretary (Finance)	Member
Secretary (Finance Resources)	Member
<i>Seven independent members who are experts, who have worked in an institution of national repute in one or more of the areas of Finance, Banking, Economics</i>	Members
Chief Executive Officer	Member Secretary

### KIIFB Executive Committee

Minister for Finance	Chairperson
Chief Secretary	Member
Secretary (Law)	Member
Secretary (Finance)	Member
Secretary (Finance - Resources)	Member
Three independent members of the Board, to be nominated by the Government	Members
Chief Executive Officer	Member

### Special invitees:

The Secretary to Government of the administrative department concerned with the project proposal placed before the Board for consideration

### Funds Trustee & Advisory Commission (FTAC)

- Independent commission chaired by a person of international eminence from the area of finance and banking.
- Economists, Bankers or Administrators of national repute as members.
- Role :- to ensure all investments of the Fund are as per the approved scheme and that there is no diversion of funds of KIIFB
- Issuance of 'Fidelity Certificate' every six months to be placed before the Legislature

### Inspection Authority

- Government will constitute an Inspection Authority
- Supervision Contractors will be engaged for each project or group of projects
- The Supervision Contractors will report to the Inspection Authority

### Special Features Of Fund Mobilisation

- All investments guaranteed by Government of Kerala
- Money for repayment obligations will be placed in a separate account by Government before liability becomes due
- 10% (increased to 50%) of Motor Vehicles Taxes and
- Re.1 cess on petrol will be moved to separate non Treasury account before December 31<sup>st</sup> every year.
- Certificate of fidelity by FTAC

### Institutional Finance Group

- GM from RBI/SEBI/BANK (on deputation)
- One DGM from RBI and One DGM from SEBI (on deputation)
- One AGM from RBI and One AGM from SEBI (on deputation)

### Eligibility of Projects

- Only projects listed in the budget of 2016-2017 in the first phase
- Each project cluster for Rs.100 crore.
- Other projects (if they are very critical) should be approved by the Council of Ministers for inclusion in the Budget of 2017-18
- Ongoing projects with budgetary allocation need not be taken up for financing.

### Guidelines

- Stage-1 -Board approval of projects
- Stage-2 -SPV prepares RFP for engaging Consultant where necessary
- Stage-3 -Preparation of DPR by SPV
- Stage-4 -Assessment of project by KIIFB
- Stage-5 -Approval of the project by KIIFB
- Stage-6 -Tender, contract, concession agreement by SPV
- Stage-7 -Review of implementation of the project
- Stage-8 -Project cash disbursements

### Services by KIIFB

- Handles tenders for selection of consultant for preparing RFP where necessary
- Handles tenders on DPR where necessary
- Project Monitoring
- Appointment of Supervision Contractor
- Project cash disbursement

### Four Parts of RFP

#### General Information includes:

- Background
- Access to RFP Document
- Brief description of the selection process
- Amendment of RFP
- Cost of Proposal
- Discussion Format
- Length of Contract

#### Responsibility:

General Responsibility of Consultant.

#### Scope of Services & Deliverables:

- Responsibility as Consultant
- Project Personnel
- Payment Schedule

#### Selection Criteria:

General Terms and Conditions of submitting proposals.

Microsoft Project: These Projects are done by companies under the fund board so the fund board does not handle the projects as such. There will be Companies which will execute the project and once the project are executed, a server based Microsoft project is used to actually tag the project complete end to end. For any time an investor wants to know what is the status of the project his organisation has invested in, he would be able to access this and look at the stage at which the project at that particular point in time.

Electronic Payment Portal (EPP): Payments would only be made through Electronic Payment Portal (EPP) directly into the banking system in to the account of the contractors.

### Modes of Financing

- General Obligation Bonds
  - Tranches called KIIF Infra Series
- Land Bonds (E.g. for all land acquisition for approved projects))
  - Tranches called KIIF Land Bond Series
- Revenue bonds (E.g. all facilities where user fee can be levied)
- INVIT (E.g. for new Metros/Light Metros, Suburban Rail)
- Infrastructure Development Fund (E.g. for new Metros/Light Metros, Suburban Rail)
- NRI Chit funds (for supplementing funds)

### Land Bonds for Land Acquisition (Some models)

- Direct Cash Payment
- Bonds in lieu of cash with 1-1.5% of interest over Fixed Deposits
- Development rights in lieu of cash (Andhra Pradesh Model)
- Share of developed plots
- Share of equity

### Current Status

- Identification of suitable SPVs
  - Existing PSU, JV with PSU, JV with Private Partner
- Uploading of DPRs where available
- Preparation of DPR where not available
  - DPRs should be in a form that the project can be tendered
- Identification of land requirements for the Infrastructure Projects

He informed that they have already in 125 days DPRs of about Rs. 2625 crores ready and would be coming out with the infra series 1 and land bond series 1 in the month of October-November. Whole idea is essentially to enlist the active participation of banks in terms of supporting the Corporations which will be working towards raising funds and also in terms of investing in the bonds that Government floats. All borrowings is ring fenced and doubly made secure, not only because it enjoys sovereign guarantee, but also because there is fund trusty advisory commission which mandates that all repayment liabilities has got to be moved into the budget and approved before the 31<sup>st</sup> of every year. This means that, not only you get the money, but also you can see that your money is intact in the budget and kept apart outside the normal treasury operations.

In this context we will also be trying to form a new asset management company on the lines of what Tamil Nadu has done (Tamil Nadu Infrastructure Asset Management Company). We would also like to float a company on that pattern so that some innovative structures of financing can also be brought into the whole process.

He expressed hope that the Hon'ble Chief Minister of Kerala would address the senior bankers in a month or two so as to create momentum to what the Government is doing.

Responding the query raised by Sri. C. Saravanan, Deputy General Manager, RBI as to *whether the cess which is being collected, is it being sequestered and kept in a bankruptcy remote account*, he replied that repayment side, the cess will actually come to the consolidated fund, following the regular process of budgetary appropriation. Once it comes in the budget, it will be taken out and handed over to the KIIFB for keeping in a secure account. So that money actually is separated from the consolidated fund and kept apart. That money will be adequate enough to repay the commitment of the fund to the investor. In a sense, without calling it bankruptcy remote, we achieve the exactly designed purpose.

**Sri. V. S. Senthil IAS**, Additional Chief Secretary, Planning & Economic Affairs Department, Government of Kerala in his address highlighted the following points.

- Issues, Vision and Programmes of the Government have been placed by the Chief Secretary and Additional Chief Secretary (Finance) in terms of what the Government is intending to and what other areas where the Government expects support and cooperation from banks in terms of stepping up banking lending activities. He shared the concerns of the bankers that we are actually in a situation like navigating a ship in turbulent times. Banking sector itself is under stress, financial sector is subdued and sentiments are cloudy. He expressed hope that in November, post Diwali, the clouds will move away. Long term investment particularly on real estate and in terms of infrastructure is gasping for more oxygen which is not there now. Therefore it is a time of challenge. Similarly, in Kerala also we are undergoing some stress in different sense, falling of agriculture commodity prices and the dependency on Middle East has actually impacted to considerable extent not only in terms of their remittances but also on lending which the banks have done. You would also see that the repayment as per the schedule is not coming because they do have some problem even for the NRI. But still we can see better time coming now and this is an area where both the State and the banking sector need to really forge strong partnership in understating each other's issues and problems and then try to work together so that we actually move forwards in unison in the same direction for building the prosperity in the State.
- Unlike rest of the country, Kerala is the only State as of date that has desired to go in for the next five year plan i.e. the 13<sup>th</sup> plan. So that process is on and we are examining the all gamut of it in terms of giving new focus and thrust in our 13<sup>th</sup> plan. Bankers have very major role to play in achieving the aspirations which the Government would lay out in the 13<sup>th</sup> Plan. We address many of the issues both short term and long term in respect of both social infrastructure and physical infrastructure.

We have to have an environment which is growth inducing not for just 5 years but for the next 20 years. In that banks have a major role to play and suggestions of banks are welcome and partnership of banks is also what we are seeking. Unless we work as partners we will not be able to achieve it. But then if you are a partner you have a joint responsibility. If you see the agenda notes having some long pending issues. So if you have to build the confidence, we will have to resolve them. Chief Secretary has mentioned that, at the end of the year all those which have been listed as pending items in the agenda notes will not be there in the SLBC agenda.

**Sri. Paul Antony IAS**, Additional Chief Secretary, Industries Department, Government of Kerala, in his address informed that he has been attending the SLBC meeting after 20 years. He then touched upon the following points.

- He was happy to note that fantastic data has been given in the background papers of the meeting. Falling of CD Ratio is used to be the talk about 20 years back also. The matters of concern are (i) Percentage of Priority Sector Advances to Total Advances has gone down by 3 % points (ii) Percentage of Agriculture Advances to Total Advances has gone down by 1 % (iii) Number of agriculture loan accounts has fallen by 3,11,000.
- Performance under MSME is not good either. But he extended thanks to banks for the support extended which is vital to us for generating more economic activities in the State.
- He informed that Government is in the process of making new industrial policy but more important in the industrial policy itself is what we are working on now on, that is improving the ease of doing business in Kerala. For this we have to look into the Bureaucratic excesses in granting approvals for starting new units as well as in terms of taxes and demand, previous business done etc. Since he was handling both power as well as industry departments, he had already started particular item of work in power department. Government have issued statutory direction to the Electricity Regulatory Commission saying that they shall simplify the application form and make it online and also reduce the number of documents required. We want to make the process transparent by going online.
- We had bad monsoon this time. Normally one would expect load shedding and other measures to come in But 67% of the power needed now comes from outside the State. We have already tied up 1350 megawatt of power from outside the State through tendering process. Apart from that, we also have our share of Central generating stations' power. We have sufficient power. In fact now that KSEB is a company, and we rightly told the officials for the need target sales. Sell power, then only money comes. Now that KSEB has tied up sufficient generating capacity, the most important matter for us to improve our transmission lines and distribution lines. For Transmission, of course we have the famous 148 km long Edamon-Kochi line to bring power from Koodamkulam. Due to various reasons it has been delayed by 5-6 years now. We are following it up with resolute action on the field to ensure that this particular 148 km is handed over to the Power Grid Corporation for laying the line.

- Reference to the GAIL pipeline having 503 km, he informed that the matter is progressing. Department is monitoring it vigorously. He expressed hoped that the complete process will be finished by 2018. We will have systems in resolute way. Systems are working now So he requested all banks to see the change now perceptible in the state and step up lending activities
- Referring Industry side issues, he pointed out that, the State is having fairly large PSU sector. We are trying to see whether there are possibilities for getting Government guarantees pooled so as to reduce the interest rate.
- Two of our major projects are hopefully getting funded under KIIFB. (i) the Edamony-Kochi line (ii) Other one from Pugalur (TN) to Madakkathara (Thrissur),
- Within the State also, we are strengthening our transmission lines through a project called Transmit II. We are upgrading our 66 KV lines to 110 KV or possibly 120 KVT. This is one project could be done over a 5 year period.
- A major item on industries side is the land acquisition. All of us are aware that BPCL Cochin Refineries is expanding and almost completed. They have added 6 million tonnes capacity. It means there is also going to be lot more of ethylene and propylene produced. Propylene base Petro chemical complex is now becoming a possibility. So we have an open minded to anything and everything to be done this time. We have negotiated with FACT for taking 600 acres of land from them at a cost of Rs.1200 crores. This is where the projects that are going to come up under KIIFB. We would like to build a petro chemical complex with an investment of Rs.5000 crore BPCL has already said that they would be the major players in this. But Government is looking for other major players who can put up better chemical complex and units in the State. We have tied up with Government of India and FACT. We hope to take possession of the land by February 2017. Lot of good things are happening now.
- He requested all banks to recognise this and be part of new investment. Even in KSEB our tariff is one of the lowest in South India or perhaps in the whole of India. But because of certain issues, last year KSEB has a loss of Rs. 313 crores. KSEB is having a funding support Rs. 5800 crores from banks by way of short term loans. There is no default. He wondered as to why KSEB is not getting any long term loans for that purpose. He requested Bankers to take a look at it
- A number of PSUs are suffering from lack of working capital. Government is supporting PSUs to increase business. It is possible for banks to negotiate with them. One of the way to protect the investment of banks is to loans to them. To make them healthier. At the end of the day we also do become healthier by improving the CD Ratio.

**Sri. Ashok Kumar Singh IAS**, Director, Department of Financial Services, Ministry of Finance, Government of India in his address requested all the bankers to support, in a big way, the initiatives of Government of Kerala for boosting infrastructure development in the State. He then touched up the following.

- Financial inclusion process started in 1960's by nationalising the bank. In the next 50 years many efforts have been made to include as many people as possible. But somehow it did not bring results to the desired level. Now we are the point of reflection. There has Potential to change all the financial inclusion gamut.

Already 24.61 crores new accounts have been opened since August 2014. It has brought deposits of the tune of Rs. 43000 crores. That itself shows that all these new account holders have lot of potential to add up to the economy also.

- In the Prime Minister Jan Dhan Yojana, it is very relevant to channelize the OD of Rs.5000/- This PMJDY account was designed specifically for the marginal section of the society which lives its day to day life depending on an informal lending sector. This Rs.5000/- OD is such a big thing for them If a person withdraw the money in the morning, he does his business and the evening it is return back and does not have to pay any interest. And in case it extends for a month he has to pay just 1% interest. It has lot of utility for the informal sector.
- The message is not properly passed on. That is why out of 24.61 crores accounts, only 31 lakhs people have availed the OD as on toady. He requested all the bankers to take a look at as why this is happening.
- Probably we need some sort of handholding because, we bankers are busy and the Rs. 5000/- OD is not a projective item probably we need urgency to talk with the people who are eligible for these loans. Then they will be able to give them not only the information support but also take the OD to these people.
- Servicing infrastructure – All are aware of the kind of push, Government of India is giving to DBT. All State Governments are also pushing their benefits and subsidies through DBT. We need infrastructure to service those accounts. We know that we have got 1,50,000 odd bank branches, of which 34,000 are in rural areas. So there is a huge gap of servicing these accounts and therefore the concept of Banking Correspondent of the banking has been brought in.
- He expressed unhappiness with the way it has grown. We have got 1,26,000 BCs, out of which only 60,000 people login. In a month around 1 lakh BCs are active. So this banking correspondent institution has not been utilized by the banks completely. They are still to accommodate the BC as a policy for banking. But the way it is evolving is phenomenal. We have got inter operability, which means the same machine can carry out the Rupey Card transaction, debit card transaction and aadhaar enabled transactions. Same machine can carry out transactions for any bank account. Inter operability means, for example SBT if you do not have presence in Imphal you can extend yourselves through a Banking Mitra in Imphal, Within Kerala also in each and every corner, their presence can be there. He felt that this inter operability portion has not been fully utilized by bankers. It has a cash in, cash out, fund transfer, balance enquiry, and a lot of financial activities which can be transacted through these BCs. RBI guidelines is very clear on this one. But still it is not catching up. It is yet to catch the imagination of bankers. He said that the way the DBT is moving we need this infrastructure in place. And therefore as a conscious decision, the Government of India has decided that the fair prize shop of public distribution system which has got the process of automation or the POS machine which is needed for their automation, the same POS machine can be used for BC transactions also. So we are in the process of formulating this SOP and he requested all banks in Kerala to ensure that each and every fair price shop can be converted into a BC. Shortly we will make detailed interaction with State Governments and bankers in this regard.

- RRBs are also now having BC. They are also inter operable. So some sort of branding and publicity is also required to convey that each and every banking correspondent can service of any bank account irrespective of which bank they belong to.
- He emphasized that all the districts should have a campaign plan ready, and the same may be communicated to SLBC and they can collated it and give to DFS.
- On the Aadhaar side, he informed that 400 million accounts are now seeded with Aadhaar. Every week 55 lakhs transactions are carried out which are Aadhaar enabled on a banking mitra. Total transactions which are carried out every week on banking mitra channels are 88 lakhs. Out of which 5 lakhs are for Rupay Cards and 55 lakhs are Aadhaar enabled. Growth in number of transaction is exponential. 75 lakhs people are presently using this Aadhaar Enabled Payment System. Out of 400 million, even if we manage to get 100 million people for this Aadhaar Enabled Transaction it will displace the whole bank branch business. Nobody will need to step into your bank branch for doing this cash in, cash out, fund transfer and balance enquiry. And then the Banks probably can concentrate more on the credit growth and more on the core banking activities rather than doing the non core banking activities of the kind which we do now. So that this Aadhaar echo system which is now growing needs support to enhance it further. In PMJDY accounts, Kerala is doing pretty well. 73% accounts are now seeded with Aadhaar. He requested to make it 100%. Let this Aadhaar Enabled Payment System be the game changer.
- There has been some confusion among bankers and public on seeding multiple accounts. Whether the Aadhaar seeding goes to the mapper? What happens in the second account is also seeded? And the like. Therefore banks are requested o have a Standard Operating Procedure (SOP) for Aadhaar seeding. He requested the bankers who have not got SOPs from the Head Office, to bring the matter to his notice. He assured that he would take up with the Head office of respective banks to provide the Standard Operating Procedure for Aadhaar seeding.
- One confusion has always been there, that, when already one account is there in the NPCI mapper what happens if a second account is also seeded. You can seed the second account. NPCI mapping is required only for the DBT transaction. It means, if the beneficiary is getting benefit out of the Government funds it will be transferred to the mapped account. In that case already NPCI mapper should capture have captured his Aadhaar No. and the bank account number. If now he seeds aadhaar in his second account and pushes it to NPCI mapper, the first account will remain in the NPCI records, but money will go to the last account. If Aadhaar is seeded in the second account but is not pushed to the mapper, still the AEPS direction can be carried out. To have a clear clarity in the mind that even if the account number is in the NPCI mapper other accounts also can be seeded.
- Chief Secretary of the State has especially mentioned about the Marayoor, Vattavada and Kanthallur. Fortunately this issue we were discussing since last year and one of the things bankers need to take a very different look. The fact that all these farmers are indebted in one way or other way. If bankers take a relook at what is happening there, we have to have little more flexibility in our approach and thereby we can find some ways to help these poor farmers also.

Speaking on the occasion, **Sri. C. Saravanan**, Deputy General Manager, Reserve Bank of India informed that Regional Director of RBI could not attend the meetin as he was out of station. Sri Saravanan informed that he would be contributing to the discussions as when the need arises.

Addressing the gathering, **Sri. V. R. Raveendranath**, Chief General Manager, NABARD informed that he was attending the SLBC of Kerala after 2 decades.

- He responded that while explaining the constitution of 6 sectors for development, the Chief Secretary had mentioned about NABARD partnering their mission. He was happy to note that the State Government was going with Development in integrated watershed management and organic farming, the two flagship programmes of NABARD which they have been doing for the past 2 decades. He extended NABARD's full cooperation in this regard and said that they have a watershed model wherein 50 % is contributed by them and remaining 50% needs to be contributed either by banks, Corporate or Government.
- As regards organic farming, he observed that across the State there is a big awareness about the organic farming. Where Kerala was importing almost 100 % of vegetables it has now got drastically reduced to 50%. He extended thanks to the initiatives of State Government as well as various other organisations. In this regard NABARD has also taken as a challenge for improving this organic farming as well as the development of agriculture and bringing use to agriculture. NABARD has made an innovative programme in schools of Kerala with the cooperation of All India Radio to reach every school and catch them young to teach the value of agriculture.

He then flagged of the following points for the concern for all of us.

- The percentage of term loan in Agriculture Advances in the State is abysmally low. While analysing the last 3 years' data, it is seen that the figure varies from 14.82% to 20.08%. This is a great concern because unless capital formation is done in agriculture, we are going to be in for real problems. In this regard Government of India has announced a separate fund ie. Long Term Rural Credit Fund from which funds at cheap rate of 5.4% will be made available for RRBs and Co-operatives. Still Government of India has expressed their concern in slow picking up of the term loans. He urged all the banker friends, to concentrate in this field and increase term loan to the expected level of 1/3 of the portfolio.
- Another area of concern is Service Area Management Information System (SAMIS), Recasting is required for the data management system ie. LBR returns which is in real doldrums now. The SAMIS was introduced in 1982 and there was lot of advancement during the period in the technology platform of banks and data management systems etc. Further the priority sector classification have also undergone lot of changes during the period which are not been adequately captured in the reporting system resulting in reporting of data in a distorted manner. He pointed out one such case, for instance, that of reporting of activities under MSME and Government sponsored programmes, under other priority sectors for others instead of nonfarm sector. This resulted in distorted reporting of achievements under secondary sector wherein the achievements is reported lesser.

In the absence of granular data on sector wise in branch-wise disbursement, the efficacy of BLBC and DCC as a forum for reviewing the progress of ACP is seriously undermined. We are specifically confronting this problem. All DDMs are under the process of preparation of PLP across the State or rather across the country. Similarly for the submissions of LBR2, many new generation private sector banks are having their own problems. We need to address these issues.

- In many districts, no targets were allocated for poultry, forestry, storage, market yard, renewable sources, food and agro processing and export credit etc. in the DCP for 2016-17. The accuracy of sub-sector figures reported is also in doubt. In view of the above, it is imperative that we may discuss the matter and identify the issues what modifications and improvement are possible at local level and take up with policy level changes with the Government of India and RBI.
- Referring Agriculture Gold Loan, he pointed out that the growth in crop loan in southern States are mainly on account of proliferation of agriculture gold loans. All the agriculture gold loans released with 7 % interest rate have been considered for interest subvention and rebate given for timely repayment. There is a need to restrict inflow to AGL which will necessitate popularisation of KCC. There is a need to make KCC much more attractive. In this direction, we are of the opinion that interest rebate and interest subvention for crop loan may be restricted to KCC loan. This would go a long way in having a discipline in this regard.
- He welcomed the step of the State Government in initiating the process to explore the possibilities of converging State Govt schemes with Stand up India Scheme, and Mudra loan scheme of Government of India. On the same lines, he requested to explore the possibility of convergence to popularise the usage of solar pump sets for irrigation purpose in the State. The MNRE scheme for promoting solar photovoltaic water pumping system for irrigation provides subsidy upto 40% of the total cost of the pump set during the year 2016-17. We have target allocation of 600 pump sets and are going very slow in this regard.
- He then brought to the notice of Government that the DPS scholarships like pre-matric scholarship, post matric scholarship etc. Have been disbursed till last year to the accounts maintained in the District Co-operative banks also. However, from current financial year onwards, there has been a change in the process of disbursement. The State Government is doing only scrutiny of the applications. The actual disbursement of scholarship has been taken over by MoHRD, Government of India. We need to have a different view in this taking into consideration of the specific nature of the State. Co-operative Banks in Kerala are having large presence as well as sizeable market share. All the 14 DCBs are having license and working under CBS platform. They are having good financial health also. He urged the State Government to take up the matter with MoHRD, Government of India and to apprise them of the status of Co-operative banks with a request for inclusion of DCCBs also as disbursement points for all DPI scholarships.

**Sri. Minhaj Alam IAS**, Secretary, Finance (Resources), Government of Kerala in his address informed that the performance of first quarter started slowly. In Kerala, as all are aware, the loan disbursement and works will be started after the monsoon season is over ie after September. We need to improve the performance further.

Chief Secretary and Additional Chief Secretary have emphasized the need for infrastructure development. The State Government has announced a major package for infrastructure development in the budget this year. That is why we are having different missions for fund mobilization. As of now State Government hardly spends 10% of its funds for infrastructure. So, we are having serious problem in infrastructure and so the Government wants to take care of mobilizing investment in infrastructure. We need support from banks for this purpose. We have seen that Government of India have started good schemes like MUDRA, Stand up India, Pradhan Mantri Fasal Bima Yojana etc. and we need to effectively implement all these schemes. As per reports received, lot of bank branches have not taken much interest towards MUDRA and Stand Up India schemes and showing zero figures which has to be improved. During the last month, Chief Secretary had a meeting with various Departments wherein the need to integrate the Department schemes with MUDRA and Stand Up India scheme was discussed. Government would soon be issuing a detailed Order in this regard as to which schemes of Government of Kerala have to be dovetailed with bank loan. And then we have to implement them effectively. He informed that still there is less coordination between Departments and Banks. We need to have close coordination between Departments and Bankers so as to implement schemes in a true spirit. We are having SLBC meeting, District level meetings, Block level meetings. We need to energize all the functionaries at grass root level, District level, State Level so as to implement and achieve the objective of schemes of Government of India and Government of Kerala.

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 of SLBC, Kerala held on 27<sup>th</sup> & 28<sup>th</sup> June, 2016, which was forwarded to the members, vide Convener's letter SLBC 38 199 2016 GN dated 12<sup>th</sup> August, 2016.

## **2. PENDING ISSUES**

### **2.1. PRIMARY SECTOR**

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

*The forum noted that vide letter SLBC 38 204 2016 GN dated 23.08.2016, SLBC Cell has taken up the matter with Joint Secretary, DFS, MOF, Government of India requesting to examine the matter.*

*Sri. Ashok Kumar Singh IAS, Director (FI & IT), DFS, Ministry of Finance pointed out that few of the activities are already covered. He requested to provide the list of activities which would require interest subvention.*

*Sri. N. Sivasankaran, Convenor, SLBC & General Manager, Canara Bank clarified that interest subvention is only given for crop loans/short term loans. He added that, State wise there has been lot of variations.*

*The forum decided to take up the matter with DFS, Government of India with the above details.*

**(Action: SLBC Cell)**

### **2.1.2. Legal and institutional support mechanism needed for promoting and sustaining the group farming ventures of JLG group and other farmer collectives**

*The forum noted that vide letter SLBC/SLRM 2016/200/GN/2016 dated 17.08.2016, SLBC Cell has taken up the matter with Chief Secretary, Government of Kerala requesting to examine the matter as a onetime follow up measure.*

*Smt. P. T. Usha, Deputy General Manager, NABARD informed that NABARD has given recommendations on this specific issue and that would be discussed in the meeting scheduled on the next day at Vellanikkara KAU with Minister for Agriculture, Government of Kerala.*

*The matter was taken as a onetime follow-up measure with the State Government and the form decided to drop it from further follow up.*

**(Action: Government of Kerala)**

## **2.2. SECONDARY SECTOR**

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

*Sri. Paul Antony IAS, Additional Chief Secretary, Industries Department, Government of Kerala apprised that ease of doing business is one major item that Government is now concentrating on. Unfortunately the current rank of Kerala is 21 among the States. Government is conducting an elaborate study and been drafting out legislation wherein provisions of the local body licensing and others will be brought out with tremendous progressive changes. He expected the action in this regard would be ready atleast by end of this year. We will have simplified licensing provision in place by 2016. This is something which Hon'ble Chief Minister, himself has directed to take up on top priority and which he would be apprising. Meanwhile KPMG is already been engaged to do the study and give suggestions. Their report would be circulated to SLBC.*

*Sri. Minhaj Alam, IAS, Secretary, Finance (Resources), Government of Kerala pointed out that NOC or LOI can be put in place for starting a business.*

*Sri. C. Saravanan, Deputy General Manager, Reserve Bank of India added that the Empowered committee on MSME in the State, RBI and SLBC both worked together and gave a list of impediments in ease of doing business. RBI had circulated a 3 page note to the Government through the MD, KSIDC. RBI has in association with CII been working on what are the impediments to exit of non viable units. If KPMG is working on it, the Additional Chief Secretary (Industries) could take these suggestions before the board, and it would be helping the bankers.*

*Responded to Sri. Minhaj Alam, IAS, he informed that today we do not know the number of licenses one needs to obtain before starting a business. We have been running around for different departments, (i) we do not know what are number of boxes we need to tick (ii) what is the turnaround time for these activities. If these small low ranking tools are in place, probably it would be a great thing. There is a single window clearance, but the veto is done by the local panchayat.*

*Sri. Paul Antony IAS, Additional Chief Secretary, Industries Department, Government of Kerala added that the study is been centred at KPMG, which is working with KSIDC. Not only that we have been trying to simplify the application forms but things are happening like the KSEB, has brought down its 7 page application form to one page and reduced number of documents required . Department is trying the following things (i) Government is planning to involve every department (ii) Department is given SOP so that they look only relevant consideration not other things (iii) Department would try to make it online (iv) Rather than having annual licensing system Department is thinking of having of 5 year licensing system.*

*Responding to the request made by Sri. N. Sivasankaran, Convenor, SLBC & General Manager, Canara Bank, Sri. Paul Antony IAS, Additional Chief Secretary, Industries Department, Government of Kerala assured that before finalizing the report by KPMG, the soft copy of the same would be circulate to SLBC.*

*The forum decided to pursue the matter with the Government.*

**(Action: SLBC Cell / Local Self Government Department)**

### **2.2.2. PMRY 2006–07 & 2007–08 - Non receipt of Subsidy**

*(Pending since August 2009)*

*The forum noted that the deadline given to banks to claim the pending subsidy within 30.09.2016 and nothing has come. Whatever claims are come from banks which will consolidate and submit it and henceforth will not keeping the agenda for further follow up.*

*The forum decided that whatever claims come would be collated and submitted. The forum decided to **drop** the item from pending issues.*

## 2.3. TERTIARY SECTOR

### 2.3.1. Land Allotment for construction of RSETI Buildings

*(Pending since July 2012)*

*The forum noted the present position of the land allotment of Kozhikode, Palakkad, Kollam and Pathanamthitta RSETIs.*

<b>District</b>	<b>Present position</b>
<i>Kozhikode</i>	<i>50 Cents land allotted in Vadakara Block. Formal MoU to be signed by Canara Bank and Block Panchayat</i>
<i>Palakkad</i>	<i>Land identified at Parli Grama Panchayat. PD of PAU and RSETI Director sent the report to the Government. Awaiting GO</i>
<i>Kollam</i>	<i>Land earmarked ETC Kottarakkara/KIP site. This has been agreed by the bank and Government.</i>
<i>Pathanamthitta</i>	<i>District collector has located a land in Konni Municipality for this purpose. This will be inspected by the concerned and report given. In the meantime efforts will be made to withdraw the court case pertaining to Pandalam grama panchayat land where a Gramin Nyayalaya is also proposed.</i>

*Sri. Kishore Kumar K, State Director, RSETI Kerala informed that they are getting excellent support from Government and there is a positive movement in taking up the construction of every RSETIs. From the Government side and from the Commissionerate of Rural Development, he is getting tremendous amount of support.*

*He then highlighted the following:*

*(i) Drivers course imparted training for unemployed youth in rural areas for driving. This is a very successful programme in Tamil Nadu also which he is overseeing apart of Kerala RSETIs. There people are identified and screened by the RSETI and Motor Vehicle Department. On First day of joining itself, the learner's license is given. 50% of the training happens in the Institute and remaining 50% is imparted in tie up with driving schools. On the last day they congregate at the RSETI and we are in a position to give driving license plus badge (to drive a taxi/commercial vehicle) on that day. Greatest advantage for that the people can immediately go to the bank and take a loan. In Kerala the problem is that, the badge is given only after one year. In this one year if the connectivity is lost they forget driving and the training goes waste. The Government would have to take a decision in this regard. This can be thought of and a preferential treatment can be given for RSETIs. He added that there is fair amount of post training settlement of students in Tamil Nadu.*

*(ii) There are two RSETI premises which are just awaiting inauguration. In Canara Bank RSETI in Thrissur the new premises is already occupied and classes are going on. Union Bank of India RSETI in Ernakulam have built an excellent building, which is lying idle for want of water. Water arrangement was made by KINFRA Park which is procured from a canal. Today after the gap of so many years KINFRA is unable to give water because the canal is not having enough water.*

(iii) Successful part of RSETI is owning of RSETI, banks which owned it by Lead banks except couple of districts. But the fact is that it should be owned by all the banks. That psychology is not working. Actually every banker owns RSETI and they sponsor applications of the candidates. They should sponsor candidates from their side so that there is an ownership when they comes bank they will give loan. Today settlement rate is very high in RSETIs in other States. But, in Kerala, settlement is an issue. There are RSETIs with settlement of 8% or less. It should not continue, because huge amount of money and man power have been invested in this. So he made a suggestion that every banker should take up a target of pushing cases to RSETI for training.

**Sri. Ashok Kumar Singh IAS**, Director, DFS, Ministry of Finance made a suggestion to RBI & NABARD that the amount which is provided for training financial literacy is very meager. That is only 60% of the cost that is given to the banker. He requested to have realistic support to the financial literacy. He added that there is lot of fund with NABARD.

**Sri. C. Saravanan**, Deputy General Manager, Reserve Bank of India said that Funding for Financial literacy happens from RBI as well as from banks. It is pooled centrally and then contributions are making to the financial inclusion fund. And this is overseen by the Financial Inclusion Fund Board. RBI Deputy Governor and the Joint Secretary, Ministry of Finance sit on the Board. The disbursement of the fund is based on request from the respective banks. We have been running a study on this. In the past two or three meetings we are expressing the irritants that are happening in the flow of funds for these FLCs. He once again requested all banks who have the funding constraints, to inform such constraints, so that RBI could work on it.

**Sri. Ashok Kumar Singh IAS**, Director, DFS, Ministry of Finance pointed out that focus should be on quality of training rather than the quantum of training conducted by the FLC. He quoted that some of them get funding for 100 with which 50 can be trained, but report 200 trained on paper. These kinds of unhealthy practices have been noticed which affect the quality of the training.

Intervening, **Sri. N. Sivasankaran**, Convenor, SLBC & General Manager, Canara Bank informed that in Kerala, FLCs set up in all the 152 blocks, instead of one in every district in other states and thus our range is quite substantial compared to other States. He requested all banks having FLCs to find out from their FLCs regarding such constraints and come back SLBC. Representations, if any, shall be brought to the notice of RBI.

**Sri. V. R. Raveendranath**, Chief General Manager, NABARD said that we need to have a different view on financial literacy itself in Kerala.

**Sri. Paul Antony IAS**, Additional Chief Secretary, Industries Department, Government of Kerala informed that what we need to look at the settlement rate mentioned as 8% and analyse the matter and find out what is happening.

**Sri. Kishore Kumar K**, State Director, RSETI Kerala informed that they have got an MIS created by Ministry of Rural Development, complete data is available. Any kind of data can be provided.

**Sri. N. Sivasankaran**, Convenor, SLBC & General Manager, Canara Bank requested the State Director, RSETI Kerala to make an analysis of bank-wise and RSETI wise performance. The first discussion should be with RSETI Directors and sponsored banks. Thereafter the problems, may be escalated to the SLBC forum. This can be discussed in the DCC meeting also. More discussion on sponsorship of candidates and other issues should be done at the district level. Banks should sponsor candidates to RSETIs so as to make it successful.

**Sri. Kishore Kumar K**, State Director, RSETI Kerala added that there is a monitoring set up at present. Actually Government has been asked to form a Steering Committee headed by the LSGD Secretary at the State level. Key people are including the committee. That is the forum where it is to be reviewed and paper work is going on for formation of the committee at the LSGD level. Once it is formed, this will enable a regular review of RSETI performance

**Sri. Dina Bandhu Mohapatra**, Chairman of the Meeting & Executive Director of Canara Bank informed that Local Advisory Committee is already in place. We can find out what are the best practices that can be replicated from other banks.

Intervening the discussion, **Sri. M. K. Bhattacharya**, Chief General Manager, State Bank of Travancore, disagreed with the State Director RSETI on the percentage of settlement. SBT is having 4 RSETIs and our settlement rate is 62.7 %. All RSETIs of SBT are rated top continuously for the last 3 years. SBT RSETIs are maintained by a Trust in which the MD is the Chairman and CGM is one of the members. Quarterly visits are done by the MD and CGMs in all RSETIs and adequate monitoring is also there. Branch men irrespective of the bank in and around place are invited in rotation to interact with the trainees.

**Sri. Kishore Kumar K**, State Director, RSETI Kerala clarified that he was not referring to SBT RSETIs.

Responding to the suggestion from SLBC Convenor regarding arranging a meeting of RSETI representatives, **Sri. Kishore Kumar K**, State Director, RSETI Kerala desired a steering Committees which facilitate all the RSETI members, all sponsor Bank Controlling Officials and all the LDMS to come to a single forum and the committee it may meet every quarter

**Sri. C. Saravanan**, Deputy General Manager, Reserve Bank of India suggested that all the RSETI Directors are invitees in the DCC meetings of respective Districts and it is seen from the minutes of the past 3 DCC meetings in each district, that, not any single issue was raised by the RSETI Directors. As Convenor SLBC rightly pointed out, their issues may be flagged in the DCC meetings and we will definitely make a follow up of it.

*LDM, Idukki informed that Idukki RSETI has got 50 cents land from Thodupuzha Block but they cannot start the construction due to non cooperation of Block authorities. They could not get the land demarcated the land for the last one year.*

*The SLBC Convenor advised the Union Bank of India to take up with the District Collector directly and if no steps are taken within a reasonable time frame, it could be escalated to the Chief Secretary.*

*LDM, Idukki informed that they had got 1 acre land and had completed all the formalities and even building plans are also approved by the concerned Municipality and had personally take up with District Collector.*

*Sri. N. Sivasankaran, Convenor, SLBC & General Manager, Canara Bank requested that to take up the issues with the District Administration once again and if no resolution could be made, LDM Idukki may give a speaking note in the next SLBC meeting.*

*LDM, Trivandrum informed that RSETI, Trivandrum has similar problem in construction of new RSETI building. They are struggling to get Municipal permission for the last five years because of the approach road problem.*

*Sri. N. Sivasankaran, Convenor, SLBC & General Manager, Canara Bank requested him to get in touch with State Director, RSETI also so that all the similar issues can be listed out one by one and could be looked into.*

**(Action: Commissionerate of Rural Development/ Local Self Govt Department,  
State Director RSETI)**

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

*The forum noted that 583 out of 1572 villages have completed the computerization and the process is going on little bit slowly.*

*Sri. M. K. Bhattacharya, Chief General Manager, State Bank of Travancore informed that SBT officers are put into trouble because of depending on the DPE for the legal opinion and SBT is not having experts in the land records. So that SBT has demanded that sub-registrar should be brought into the loop. If that is looked into then most of the frauds would go into the cloud. This has to be accelerated.*

*The forum requested the Revenue Department to complete the computerization process as early as possible and decided to pursue the matter.*

**(Action: Revenue Department)**

### **2.3.3. Denial of E-Tender access facilities to customers of all banks except SBT**

*(Pending since March 2014)*

*The forum noted the decision of the SLRM that the same as a glaring disparity and the facility may be extended to all the customers across all the Banks.*

*The forum requested banks to report specific issues, if any, persists with them to SLBC Cell. If there is not any issue, then the issue may be dropped.*

***(Action: Planning & Economic Affairs Dept/Information Technology Dept)***

### **2.3.4. Noting of Equitable Mortgage created in favour of the banks in Revenue Records** *(Pending since March 2014)*

*The forum noted that vide letter SLBC /SLRM 2016 / 189/ GN /2016 dated 06.08.2016, SLBC Cell has submitted a speaking note to the Chief Secretary. The substance of the note is:*

- *The original agenda proposal contained two parts*
- *Noting of EM in Revenue Records*
- *Noting of lien of bank loan in Thandaper Register*
- *In view of clarification given by Govt, we are not pursuing the part 2 of the agenda. But we strongly recommend for adopting the part 1 of the agenda ie. noting of mortgage in the revenue records*

#### *Specific request/recommendation from the SLBC*

- *Provisions may be made in the Kerala Land Registry Rules – 1996 to note the mortgages created in favour of SCBs & other financial institutions in Thandaper Register covering all types of Mortgages (Registered & Equitable )*
- *Government may fix a suitable charge for the same. The following tariff is recommended*
  - *Loan up to Rs. 10 lakhs : Rs. 500*
  - *Loans above Rs. 10 lakhs up to 25 lakhs : Rs.1000*
  - *Loans above Rs. 25 lakhs : Rs.2500*
  - *Fee for releasing the charge : Rs. 200*

*The forum decided to pursue the matter with Revenue Department.*

***(Action: Revenue Department)***

### **2.3.5. Registration Act, 1908 – State amendment of Section 17 (1) (f)**

*The forum noted that vide letter SLBC /SLRM 2016/195/GN /2016 dated 09.08.2016, SLBC Cell has submitted a speaking note to Chief Secretary. Substance of the note is:*

- *At present, a power of attorney executed for any transaction relating to an immovable property ,executed in favour of father, mother, wife, husband, son, adopted son, daughter, adopted daughter, brother, sister, son-in-law or*

*daughter-in-law of the executant is exempted from compulsory registration vide Section 17, sub section (1), clause (g) of Registration act 1908 as amended through the Registration (Kerala Amendment) Act, 2012*

- *We recommend that father-in-law, mother-in-law, brother-in-law and sister-in-law of the executants may also be added to this list of exemption*

*The forum decided to pursue the matter with Taxes Department.*

***(Action: Taxes Department)***

### **2.3.6. Issues relating to Stamp duty on Branch & ATM lease deeds**

*The forum noted that vide letter SLBC /SLRM 2016 / 194/ GN /2016 dated 10.08.2016, SLBC Cell has submitted a speaking note to the Chief Secretary. The substance of the note is:*

*Now that the matter has received the due attention of the Government and has found a place in the revised budget speech of the Hon'ble Finance Minister for 2016-17 dated 2016 July 8<sup>th</sup>, we expect that the issue would be resolved soon. The excerpt from the budget speech is reproduced below.*

295. The ambiguity prevailing in levying Stamp duty for documents relating to installation of Bank ATMs and Mobile Towers will be rectified by making necessary amendments to the Kerala Stamp Act and Rules.

*The forum decided to pursue the matter with Taxes Department.*

***(Action: Taxes Department)***

### **2.3.7. Waiving of stamp duty on loan sanctioned against pension to Senior Citizens**

*The forum noted that vide letter SLBC /SLRM 2016 / 196/ GN /2016 dated 11.08.2016, SLBC Cell has submitted a speaking note to the Chief Secretary on this matter.*

*The forum decided to pursue the matter with Taxes Department.*

***(Action: Taxes Department)***

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

*Representative from KSCARD Bank informed that the bank is having an amount outstanding of Rs. 13 crores.*

*Sri. Ashok Kumar Singh IAS, Director, DFS, Ministry of Finance informed that the matter has taken up with Human Resources Ministry of the Government of India and they have made objection on that.*

*The forum decided to pursue the matter with Planning & Economic Affairs Department, Government of Kerala.*

**(Action: Planning & Economic Affairs Department)**

### **2.3.9. Loan Waiver Scheme of Scheduled Tribes Development Department**

*The forum noted that during the steering committee that met on 2016 September 5<sup>th</sup>, the Department informed that the scheme was in the implementing stage but the list of scheduled tribe beneficiaries who have availed loan from the banks under the control of Registrar of Co-operative Societies/Co-operative Departments have not been received. Administrative sanction of the scheme was obtained from October 2015 and till date the benefits given only to 955 beneficiaries where as the beneficiaries expected is about 11000. 1/3 of the claims are pending with Service Co-operative Banks. She added that Department have to finish the work at least by December 2016.*

*SLBC Convenor informed that his office has requested the Secretary Co-operation, to call a joint meeting of the Registrar of Co-operatives, STDD and SLBC to sort out the matter. He also informed that the LDMs of Palakkad, Idukki and Thiruvananthapuram have been instructed to conduct a campaign in the pattern adopted by Wayanad LDM.*

*The committee requested the ST Development Department to provide the bank branch wise settlement list to SLBC Cell for placing before the SLBC forum.*

*The forum requested all banks to take note of the same.*

**(Action: ST Development Department, LDMs, Banks)**

## **3. FRESH ISSUES**

### **3.1. PRIMARY SECTOR**

#### **3.1.1. Review of Pledge Financing against Negotiable Ware House Receipts (Suggested by RBI)**

*Sri. C. Saravanan, Deputy General Manager, Reserve Bank of India informed that lot of plantation warehouses are there and there is huge scope for this. Under the Green Kerala Mission, Chief Secretary has pointed out that they have a plan to create a Horticulture Hub. If this warehousing, is integrated with that Horticulture Hub project, it would leverage the project that.*

*The forum requested all banks to take note of this. This is an opportunity for banks to lending. It would facilitate till pick up of agriculture lending and ensure that our lending is to be stepped up.*

**(Action: Banks)**

### **3.1.2. Regarding Commercial Dairy Milk and Milk shed Development Programme [MSDP] (Suggested by Directorate of Dairy Development)**

*The forum noted the component wise breakup of the milch animal / heifer unit components provided in the Annexure-8.44 of the Background notes.*

*The forum concurred with the views of the Steering Committee that:*

- 1. Banks do have existing schemes for dairy farms with unit cost accepted by the Unit Cost Committee headed by NABARD ( both for milch animal units and for Raising of Cross Breed Heifers)*
- 2. The Department may converge its schemes to these existing dairy loan schemes of banks*

*Representative from Dairy Development Directorate informed that some banks are reluctant to give loans for heifer rearing unit mentioning that these are not productive. Actually Department is taking it in a large scale. Some banks are not giving interest reduction on back end subsidy they are charging the interest for total amount of loan.*

*Sri. N. Sivasankaran, Convenor, SLBC & General Manager, Canara Bank informed that the matter has to be taken up in the DCC meetings of respective Districts. He clarified that as per the guidelines whether it is front end subsidy or back end subsidy, interest is not be charged to the subsidy component from date of release.*

**(Action: Dairy Development Department)**

### **3.1.3. Recommendations to include Dairy as Agri activity and to extend loans to the rates as applicable to Agricultural farmers (Suggested by Directorate of Dairy Development)**

*The forum concurred with the views of the Steering Committee that Dairy is a direct agriculture activity. Rate of Interest is that of agriculture. But if Department suggests to have subvented rates as in Crop loans, a suitable interest subvention scheme may be launched by the State Government. One option is to convert the present Capital subsidy to an interest subvention.*

*Sri. N. Sivasankaran, Convenor, SLBC & General Manager, Canara Bank said that interest subvention or subsidy is to be given by the Government. If the Department wants to have interest subsidy, it can be given as part of the scheme. There is no issue on that.*

*He added that rate of interest can be brought down only through of subvention. At present Subvention for agriculture loans is given by Government of India. So if the State Government is having a plan for giving interest subvention or subsidy, it can definitely bring the effective rate of interest down.*

*Sri. C. Saravanan, Deputy General Manager, Reserve Bank of India requested that while pointing out instances of deviation from guidelines, if the Dairy Development Directorate gives an indication of name of bank and places, it would become more actionable and active intervention from our side can be made. As far as the subsidy for agriculture activity is concerned, he clarified that this is a policy decision by Government of India and it is done through a budgetary appropriation process. It is done at very different level and forum and SLBC forum may not be able to suggest that subsidy should be given for such and such activities. We would like to see, if it is a viable project or not rather than the subsidy available. He requested that the Department to take the matter with Government of India for getting subvention. If specific instances of lack of enthusiasm on the bankers' part are reported, only then it will become actionable.*

*Sri. V. R. Raveendranath, Chief General Manager, NABARD said that the matter has been taken up with Government of India and SLBC forum also may recommend to the Government because , then we could cover more people especially the Dairy Sector In wake of problems in rubber and other normal agriculture activities there is demand from the farmer for dairying . Rather, we are not asking to increase the subsidy, but are paving way to reach more farmers.*

*Sri. N. Sivasankaran, Convenor, SLBC & General Manager, Canara Bank agreed with the view expressed by the DGM RBI that people should not come for loans because there is subsidy. Instead they should see if the project is viable and sufficient income can be generated. He also made a request to the Dairy Development Department that, these specific issues would be discussed at district level forums and if it is not resolved then it would be taken up with SLBC separately not as an agenda and which would be addressed separately.*

*Responding to Dairy Development Department for recommending reducing interest rate, he informed that Interest rate by banks is decided by based on various factors. Therefore, SLBC does not have any role in that. Government can take up, whether subvention or subsidy, taken up with Government separately.*

**(Action: Directorate of Dairy Development)**

**3.1.4. Extending loans for Commercial Fodder Development activities taken up by individuals / Dairy Co-operatives / SHG / Women Gopalika Group (Suggested by Directorate of Dairy Development)**

*Representative from Dairy Development Directorate informed that women groups do fodder cultivation activities now. So they are approaching banks and some banks are reluctant to give loans.*

*The forum noted that the following points observed in the Steering Committee that met on 05.09.2016:*

- 1. Banks have existing scheme for fodder cultivation.*

2. Where fodder cultivation is undertaken as integral part of a dairy farm for captive supply, there is provision in the Dairy loan scheme to include the cost of cultivation of fodder in the project.
3. Where fodder cultivation is undertaken as a standalone activity for sale of fodder to dairy units, the agro-forestry /farm forestry schemes of the banks are designed to finance for the same.
4. Therefore the Department may converge their schemes to these existing schemes in banks.

*It was also noted that the current norms under the Kerala Panchayat Raj Licensing of Livestock farming Rules 2012 is acting as a bottle neck to growth of investment credit in agriculture (Dairy units with more than 5 animals require licenses from the Local Self Govt. The SLBC cell has submitted a speaking note to the Chief Secretary vide its letter No. Kerala SLBC/SLRM 2016/193/GN/2016 dated 2016 August 9<sup>th</sup> for revising these limits in tune with the latest pollution control norms.*

**(Action: Local Self Government Department)**

**3.1.5. To accord financial support for innovative aquaculture promotion activities as par with agriculture and green channelizing this project for speedy sanction (Suggested by Office of the Director of Fisheries)**

*The forum noted that under the Scheme for fish farmers level aquaculture units, 50% financial support from Government and 50% own contribution or bank loan. The Committee noted the unit cost given above and noted that Beneficiary identification will be done by Fisheries Department.*

1. The committee requested the Department to provide a detailed scheme with cash flow and other financials , for further examination by a sub-committee of SLBC
2. Referring the request of considering interest rate of aquaculture at par with agriculture the Committee recommended the following.

*Aquaculture is a direct agriculture activity. Rate of Interest is that of agriculture. But if Department suggests to have subvented rates as in Crop loans, a suitable interest subvention scheme may be launched by the State Government. One option is to convert the proposed Capital subsidy to an interest subvention.*

*Sri. N. Sivasankaran, Convenor, SLBC & General Manager, Canara Bank pointed out that since financial details such as revenue source, how much revenue come from, repayment structure etc. are not covered under the scheme a separate meeting involving major Banks and Department has to be conducted to make the scheme as bankable and viable .Thereafter it may be placed before SLBC.*

**(Action: Fisheries Department)**

## **3.2. SECONDARY SECTOR**

### **3.2.1. Review on the Progress of Online Registration of MSME Loan Applications by the Bank (Suggested by RBI)**

*The forum noted the Progress of Online Registration of MSME Loan Applications by Banks is provided in Annexure-8.45 of background notes.*

*The forum noted that (i)34 banks have websites (ii) 9 do not have websites (iii) Of the 34, 17 operational.*

*Sri. Ashok Kumar Singh IAS, Director, DFS, Ministry of Finance suggested that MUDRA also may be enabled, because, there is lot of problem on accessing MUDRA loans. We need to integrate this in these portals of banks.*

*The forum requested all banks to make enable their systems.*

**(Action: Banks)**

### **3.2.2. Implementation of Coir Udyami Yojana (Suggested by Coir Board)**

*The forum noted that pendency has substantially reduced. Banks expect Coir Board to reciprocate with direct support in Recovering NPAs in schemes sponsored by them, especially REMOT.*

*The SLBC Convenor stated that banks required more support from Coir board in recovery of NPAs in the REMOT scheme. The scheme neither benefitted the borrowers, nor the banks. The machinery was supplied by some agency and these machines were not suited for the purpose. More than 80 % of the units could not function even for a day. The equipments are not even worth a penny today.*

*Sri. C. Saravanan, Deputy General Manager, Reserve Bank of India pointed out that actually more than 4 lakhs borrowers are affected under the REMOT loan.*

*Sri. M. K. Bhattacharya, Chief General Manager, State Bank of Travancore informed that actually what happened was that Coir Board asks all borrowers for machinery acquisition from a particular firm and that machinery did not function well. Ultimately 83% of the loans turned NPA. He added that the matter has to be discussed threadbare early.*

*Sri. C. Saravanan, Deputy General Manager, Reserve Bank of India pointed out that Coir Board scheme aimed for modernizing the Coir Industry. The suppliers of machinery were the empanelled suppliers of Coir Board. So banks lent money in good faith. Later it turned out that the technology was obsolete and the machines supplied were not working properly, even for a day. This has rendered lakhs of people as borrowers who cannot repay and banks are also reluctant to support further finance because of their NPA. What we have requested Coir Board in the Empowered Committee Meeting is that they could come up with the scheme for providing a buyback arrangement through a budgetary support and replacing with new machinery which can be financed by the bankers.*

*Sri. N. Sivasankaran, Convenor, SLBC & General Manager, Canara Bank added that identification of customers have been done 100% by the Coir Board. Only those customers whom Coir Board referred only can get subsidy. There is no role for banks to identify borrowers.*

*Sri. C. Saravanan, Deputy General Manager, Reserve Bank of India made a request to the Director, DFS for MSME wing to provide a plan under which the outdated machinery can be brought back and banks can finance for the new machinery. Thereby the borrowers will be protected so as to avoid project failure.*

*Sri. Ashok Kumar Singh IAS, Director, DFS, Ministry of Finance asked whether Coir Board has taken up the proposal with Ministry of Finance.*

*Representative from Coir Board replied that they have already communicated the decision to the Secretary, Coir Board.*

*Sri. Ashok Kumar Singh IAS, Director, DFS, Ministry of Finance asked Coir Board Secretary to communicate the same to Ministry of Finance, Government of India.*

*Sri. M. K. Bhattacharya, Chief General Manager, State Bank of Travancore asked for an update on the CBI registered case in Alappuzha against the supplier of this REMOT loan Responding to this, representative from Coir Board informed that the case is with CBI court. We are asking the report but received a report that the case is under hearing.*

**(Action: Coir Board )**

### **3.3. TERTIARY SECTOR**

#### **3.3.1. Creating Banking environment for the visually challenged (Suggested by RBI)**

*The forum noted the data on ATMs made accessible to persons with disabilities as on 30.06.2016 provided in Annexure-8.47 of background papers.*

*The forum noted that as per RBI Circular DBOD No. Legal BC No.113/09.07.005/2013-14*

- (i) New ATMs installed on/after July 01, 2014 are to be talking ATMs with Braille key pads*
- (ii) Banks to have road map to convert other ATMs also.*

*The forum noted the Progress in this regard in Kerala*

- Total ATMs : 9063 of which, New 1298*
- ATMs with Braille Key pad : 2524*
- Talking ATMS : 195 (Leader ICICI : 176)*
- Nil Braille pad : 5 banks (State Bank of Bikaner & Jaipur, Allahabad Bank, Bank of Maharashtra, Punjab & Sind Bank, Yes Bank)*

*Sri. Ashok Kumar Singh IAS, Director, DFS, Ministry of Finance made a request that we could have atleast one model Branch where these are being implemented. All the banks can select atleast one bank branch where they can showcase it. We also need to have websites that are GIGW (Guidelines for Indian Got Web Sites) compliant.*

*Sri. C. Saravanan, Deputy General Manager, Reserve Bank of India added that this can be part of the Accessible India Project of Government of India.*

*The forum requested all banks to ensure that RBI guidelines are complied with.*

**(Action: Banks)**

**3.3.2. Review of progress under Road Map for opening Brick & Mortar branches in villages with population more than 5000 without a bank branch (Suggested by RBI)**

*Sri. K. V. Shaji, Chairman, Kerala Gramin Bank informed that the 3 KGB centres which are pending, KGB had identified the building and construction work is going on and all of them would be opened by the end of October 2016.*

*Sri. M. K. Bhattacharya, Chief General Manager, State Bank of Travancore informed that SBT was in the process of identifying premises and branch would be opened within a timeline of November 2016.*

**(Action: Kerala Gramin Bank, State Bank of Travancore)**

**3.3.3. Revenue Recovery Online Platform (Suggested by Office of the Commissioner of Land Revenue)**

*The forum concurred with the views of the Steering Committee that the following drawbacks in the present RR package may be addressed while launching the new online platform:*

- 1. District wise standalone data base*
- 2. Login id is branch & district specific. So border branches have to apply to each district separately*
- 3. Single level data entry & authentication*
- 4. No provision for online updation (for OTS , Withdrawal etc)*
- 5. No option for administrative offices to monitor progress*

*The forum also noted that the member banks of the steering committee expressed certain operational difficulties in strictly abiding with the first point of agenda, ie, not to accept recoveries directly after referring to RR.*

*LDM, Palakkad informed that in Palakkad Revenue authorities demand 5% commission for one time settlement. Saying that bank dues are not exempted from paying 5 % commission.*

*Sri. N. Sivasankaran, Convenor, SLBC & General Manager, Canara Bank informed that there was an earlier clarification /communication/ decision that when it is one time settlement 1% commission would be charged.*

*Representative from Revenue Department informed that individual cases are reported like this that Revenue authorities are demanded collection charges and lot of cases are also pending in High Court. In one or two cases, the High Court agreed on the argument of the petitioner and directed Government to examine the matter of avoiding collection charges. The matter is being examined.*

*Sri. N. Sivasankaran, Convenor, SLBC & General Manager, Canara Bank added that in the light of the above we should have a relook on that. When a customer directly comes and agreed for OTS we should be more liberal taking into account the convenience of customer and also the financial status of the customer to reduce the rate to 1 %.*

*LDM, Thrissur informed that the matter was discussed and OTS happened in two categories. In one case they are remitting in one single installment. In such cases 1 % is correct. In other cases they are not sure whether they will remit the entire installments. In such cases they are charging 5 %. The stand of Revenue Department is correct. Nobody can monitor whether they are remitting the entire installments. So in such cases there is no OTS. So they have to remit 5%.*

*Sri. N. Sivasankaran, Convenor, SLBC & General Manager, Canara Bank added that there also, you may be permitted to give installments to him. There, along with the final installment can we adjust the whatever we have paid earlier 5% netting only 1% in the final installment. Revenue Department may take a look into that.*

*Referring the moratorium of Education Loan, Smt. T. K. Ajitha Kumari, Additional Secretary, Planning & Economic Affairs Department, and Government of Kerala clarified that 3 months Moratorium on Education loan is in Wayanad District only. In other place there is no moratorium.*

*The forum requested the Revenue Department to examine these issues. The forum decided to pursue the matter with Revenue Department.*

**(Action: Revenue Department)**

#### **3.3.4. Institutional Support for Financial Literacy Centers (Suggested by Federal Bank)**

*Sri. K. I. Varghese, Chief General Manager, Federal Bank informed that Federal Bank has 19 FLCs functioning in the State of Kerala and has an eminent trust also constituted for that. Complaint received from many FLCs is that, the school authorities are not permitting them to take financial literacy classes quoting the reason that no instruction has been from the authorities. So he requested that necessary instruction may be sent from the Education Department*

*Second issue is that the all local banks can put up a notice in their notice boards regarding the FLCs functioning in their locality so that the public become aware of it.*

*Third point is that whenever the Government, especially Kudumbashree Mission, is conducting programmes, an opportunity may be given to the FLC to take classes and counseling programmes.*

*The members of the Federal Bank's FLC trust were eminent persons like retired CGM from NABARD, retired GM from RBI and former Vice Chancellor of Agriculture \University. The trust meets quarterly and analyzes the performance of each and every FLCs. Federal Bank awards the outstanding FLCs on a yearly basis. The forum requested Planning & Economic Affairs Department to take up the matter with Education Department.*

**(Action: SLBC/Education Department/Banks)**

### **3.3.5. Special drive for Financial inclusion initiatives from 15.9.2016 to 31.10.2016** (Suggested by SLBC Cell on directive from DFS)

*Sri. N. Sivasankaran, Convenor, SLBC & General Manager, Canara Bank informed that on 03.10.2016, a VC with DFS in this regard. Major Banks are requested to VC. There are some strategies planned. LDMs should take initiatives to run the campaign up to 31.10.2016 and make it a success. We have 39 lakhs of enrolled members in the State of Kerala. Kudumbashree can also support the campaign.*

*The campaign cost shall be shared by all banks*

*Sri. Ashok Kumar Singh IAS, Director, DFS, Ministry of Finance informed that they have also launched a media campaign From December 2016 onwards we are going to have another massive campaign on these financial security schemes. He also pointed out that (ii) none of banking mitra channels of Federal Bank were active. They are not doing any on us or off us transactions. (iii) SBTs financial switch is totally out of order and transactions success rate is 10% to 17% , giving the impression that is running at sub optimal level*

*Sri. M. K. Bhattacharya, Chief General Manager, State Bank of Travancore stated that SBT is having 964 BCs, out of which 40% are active. These are kiosk banking model. What has happened that the feedback is not there because, CSE e-governance is our corporate BC. Instead of fetching the pin pack from the CSE e-governance from Delhi now we are supplying it and bearing the cost. SBT has achieved all targets, whatever during the last year. Previous year he was visited all BC centres and cluster BCs. Training of the first part is over. We have given this year a target of 75 % which we would achieve. We charge service tax within the commission.*

*Sri. Ashok Kumar Singh IAS, Director, DFS, Ministry of Finance clarified that he was referring to the rejections of the off us transactions by the switch, which is a serious matter, asked whether any of the banks is charging service tax outside the commission. SBI as a matter of policy charged Service tax within the commission, while the other banks are known to charge it outside the commission. Basically SBT looks into the liability side only. That was why the SBT model was failing.*

As far as SBI is concerned, 57% of the corporate Banking Mitra do not do a single transaction in a day. The matter has to be looked into by SBI.

While agreeing the statement made by Director, DFS, **Sri. C. Saravanan**, Deputy General Manager, Reserve Bank of India pointed out that there are two issues (i) funding of FLCs (ii) abysmal state of Banking Correspondent. We have been engaging the SLBC side atleast for the past one year, we had atleast 4 rounds of meetings, and we had atleast 30-40 inspections conducted across all the BC outlets. There is a fundamental problem in the DNA of this BC mode, which has to be addressed. (i) In a Common Service Centre, banking is just one of the activities among the bogey of services provided. (ii) He is not mobile. (iii) In certain cases bank branch is in the ground floor and the BC is in top floor, it has become total farce. Banks should try to have a revamped BC model in the State He made a request to form a sub-committee and sort out the issues within 3 months time.

**Sri. Ashok Kumar Singh IAS**, Director, DFS, Ministry of Finance added that all the DBT is moving on this platform. Depending upon the local needs, we can study locally what is the need of the community and depending upon the need and requirement of the community we can change our function of banking Mitra. (i) It will not succeed if it is not in consonance with the need of the people (ii) As a conscious policy not only for Kerala but all over India we are going to enable the fair price shop as a BC. The reason is very simple that the machine which is going to be brought out by the Government can be used for this purpose also with additional software patch and adequate training to the fair price shop owner. So in the coming days we are going to acquire fair price shops as a Banking Correspondent. He requested the support of banks.

**Sri. C. Saravanan**, Deputy General Manager, Reserve Bank of India added that in Kerala situation the challenges are twofold. (i) At the current incentive structure we do not get sufficient people to work as BC. So incentivisation is one part (ii) The other is that we are not allowing BCs to offer the full range of banking products such as liability sourcing, asset sourcing, recovery etc through the BC outlets. The present model of BC is not going to succeed in Kerala. We have to restructure the model.

**Sri. N. Sivasankaran**, SLBC convenor added that the CSC BC model in Kerala works like a 10 to 5 office at a fixed point. What is required is a mobile BC which moves around within the hand held machine, disbursing and accepting cash, the villages, source business and serves the people outside office hours. There is also the issue of technology of the CSC platforms not being compatible with the technology of many banks. The bank mitra needs to be flexible and be able to serve at the door steps even at odd hours on call. In many CSC BCs only account opening is taking place.

Representative from **Akshaya** informed that in Kerala Akshaya is working as a corporate BC of CSC and out of 3000 Akshaya centres, around 1700 centres have been converted as banking kiosks of which around only 45% are active Kiosks. In Kerala, only SBT and SBI are providing the Technical Support. No other bank is providing any technical support. None of the Kiosks is working due to the technical support.

*We have communicated all the issues several times to SLBC with bank wise position and bank wise issues. We have also some issues that have sorted out and we are going on. We have appointed a special team at District wise as a District Project Manager for looking after the bank kiosk operation itself. They are continuously visiting the Banking Kiosks and trying to uplift their operation. But the support from the banks not adequate. Only SBT and SBI is giving technical support. If bank is able to give support, Akshaya would be able to give good support to the citizen.*

*Sri. Ashok Kumar Singh IAS, Director, DFS observed that when 5 crore transactions take place per through BCs across the country, the figure of one lakh transaction for the whole year in Kerala stands nowhere. Internet transactions, SMS facility and Micro ATs need to be given publicity. Multi channel options for aadhaar seeding also need to be publicized.*

*Sri Saravanan RBI DGM suggested that in the special financial inclusion drive, safety in Electronic transactions also may be covered as a literacy subject.*

*The forum decided to form a Sub-Committee comprising RBI, SBI, SBT, Canara Bank, Federal Bank, Dhanlaxmi Bank and to sort out these issues.*

**(Action: SLBC Cell)**

### **3.4. INFORMATION NOTES**

#### **3.4.1. Swachh Bharat Mission-Gramin- encouraging credit for Water and Sanitation (Information Note by RBI)**

*The forum noted the contents for information.*

#### **3.4.2. Implementation of Supreme Court Orders in Writ Petition by Swaraj Abhiyan against Union of India and Others- Guidelines on Relief measures by banks in areas affected by Natural Calamities (Information Note by RBI)**

*The forum noted the guidelines for information.*

#### **3.4.3. Priority Sector Lending Certificates (Information Note by RBI)**

*The forum noted the contents for information.*

#### **3.4.4. Progress of NULM/NRLM Initiatives (Information Note by RBI)**

*The forum noted the progress of NULM/NRLM for information.*

#### **3.4.5. Review of Progress under Start up India Programme (Information Note by RBI)**

*The forum noted the progress under Start up India Programme for information.*

### **3.4.6. National Rural livelihoods Mission (NRLM) – Aajeevika - Interest Subvention Scheme (Information Note by RBI)**

*The forum noted the contents for information.*

### **3.4.7. Review of Progress under Financial Inclusion Plan 2016-19 (Information Note by RBI)**

*The forum noted the contents for information.*

### **3.4.8. Review of Stand Up India Scheme (As per directions of DFS)**

*The forum noted the Progress on Stand Up India Programme as at June 2016 provided in the Annexure-8.40 of background notes.*

*Sri. C. Saravanan, Deputy General Manager, Reserve Bank of India informed that Credit absorption potential as of now in the State has got its own set of challenges (i) due to the eco system in which they are operating (ii) due to the state specific issue. He thought DFS will appreciate this operational issues. RBI has been receiving reports that there are certain unscrupulous people coming and pressurizing the branch Managers to get loan under Stand up India & Start up India.*

*Sri. Ashok Kumar Singh IAS, Director, DFS, Ministry of Finance added that his mail ID & phone number has been circulated in a whatsapp message as a grievance redressal officer for PMJDY. Every day he gets around 30 calls. That definitely indicates that there are people who require loans but do not find where to go. There is a huge problem of accessibility. The bankers are not willing to change or have non flexibility in the way they sanction loans. When targeting new set of people especially small loan borrowers like Rs. 50,000/- you should not expect a person stand in your office for more than 2 hours.*

*Sri. C. Saravanan, Deputy General Manager, Reserve Bank of India pointed out to a reported case of a person who initiated the process and started constructing works, when suddenly there was blockage in front of him . He had to change to some other location In that location also there was a local activation or block. By this time he had invested Rs. 1 crore. This is not to generalize the issue but there are many instances like this in this particular operating environment.*

*Sri. Ashok Kumar Singh IAS, Director, DFS, Ministry of Finance informed that none of the banks have maintained register where number of people come and give loan application. There is not accountability from the banks side in this regard.*

*Sri. C. Saravanan, Deputy General Manager, Reserve Bank of India added that that is reason we are shifting it into online portal.*

### **3.4.9. Review of PMAY –CLSS Scheme (Continuation of existing agenda)**

*The forum noted that Progress on Pradhan Mantri Awas Yojana as at June 2016 provided in Annexure-8.42 of background notes.*

*The forum then noted the suggestions/problems pertaining to the implementation of the PMAY scheme which was made by HUDCO in the Steering Committee met on 05.09.2016.*

- (i) At the ground / branch level we have to make some more awareness on the scheme. Include this as one of the agenda items in Quarterly Regional Review Meetings of banks*
- (ii) In order to facilitate the beneficiary and assist the bank, urban local bodies are identified as facilitators. They would assist the bank in interacting with the beneficiary. Meeting between facilitators and bank representatives at each district level would be conducted. LDMs to try to organize these meetings in each district which would lead to reducing the workload of the bank.*
- (iii) To provide Banners, displays, pamphlets etc. at branch level through which some information will be made available to the beneficiaries.*
- (iv) It is found that some of the banks insists minimum 3 cents / 2 cents of land for extending housing loan. As per the circular issued by Government, even if you have one cent of land, Corporation will give building approval permits to these beneficiaries.*
- (v) Some of the banks are insisting ITR returns*
- (vi) Some of the banks say that road access / vehicular access is essential that has to be looked into.*

*Representative from HUDCO observed that awareness at branch level has to be created because so far we were able to sanction hardly 200 loans only under the scheme where as it has been targeted to cater the requirement of around one lakh households in Kerala. Main reason is the lack of awareness at the local level. SBI has come out with a banner which is placed in all the branches in urban area. Similarly HUDCO also has come out a big banner which will be placed in all the urban local bodies in Kerala. We have already distributed it to all the urban local bodies. There will be lot of queries at local level. So the Branch Managers may be equipped to handle these issues. PMAY is a flagship programme of Ministry of Housing and Urban Poverty Alleviation. This programme is reviewed on a monthly basis and quarterly basis by the PM's office.*

*If it is possible to allocate some targets for this bank branches in urban areas, it may be done.*

*Some of the beneficiaries who approached the banks say that banks are insisting for ITR returns, Pacca wide road access to the plot and for minimum plot size of 3 cents. If it is possible to relax these conditions, it may be looked into.*

*Sri. C. Saravanan, Deputy General Manager, Reserve Bank of India intervened to remove the notion that entire responsibility of implementing the PMAY is that of the banks. There are nine stakeholders in the entire process of housing and every stakeholder has got a role so that do not push all the responsibility towards banks.*

*As regarding the question of why, housing loans are sanctioned with all approval, he clarified that in all approvals, all documents have to be insisted upon and there can be no compromise on the due diligence process. Banks in Kerala are sanctioning close to 12000 housing loans per month. Everybody would be more than willing to lend in housing loans because the recovery rates are very good, but provided they get good proposals. He requested HUDCO to not put all the responsibility on banks because number of schemes which are placed on the shoulders of banks are too many.*

*Representative from Kudumbashree (SLNA of PMAY) pointed out that Banks insist minimum 2 or 3 cents of land to the beneficiary for extending loan. But as per the GO of the Government minimum 1 cent would be required. She requested to do anything in this regard.*

*The forum suggested that specific cases can be discussed separately.*

*Sri. C. Saravanan, Deputy General Manager, Reserve Bank of India informed that all banks have taken decision as per the policy of their Boards. Specific cases can be taken up with respective Banks.*

*LDM, Malappuram pointed out that there are 4 verticals in the Scheme and only one vertical is pertaining to banks. All other 3 verticals, they have to be given grant not loan. And no municipality has so far evolved a strategy for covering the people in the other 3 verticals. For income upto Rs. 3 lakhs all the 4 verticals are available. For income above Rs. 3 lakhs upto Rs. 6 lakhs only bank loans are available. So let us first come up with these loans. Otherwise all the lower level people will be compelled to take a loan, tomorrow when funds come they will not be eligible for further assistance under the scheme.*

#### **3.4.10. Review of PMFBY**

*The representative from the Department of agriculture informed that the two Districts Alapuzha and Pathanamthitta were covered under the in-house crop insurance scheme of the department.*

*The forum recommended that in the ensuing Rabi season, all the districts in the state may be covered under suitable crop schemes.*

*Representative from AICIL informed that as per the information received from the Department of Agriculture, in the next season Government will take this suggestion mooted by SLBC also to include these two districts as well because the State Government scheme is not binding upon the banks to implement. These two districts have major exposure of crop loans by various banks. It will be wise decision to include these two districts also in some vertical schemes under PMFBY.*

## **Other Issues**

*Representative from KVIC informed that they have recently switched over to online portal , There are claims of around Rs. 6.45 crores with 398 cases are still pending with Banks, which are to be uploaded to Corporation Bank. Banks have to upload current proposals also. We have requested all the banks to expedite uploading of pending claims.*

*The target for PMEGP for the state has been revised. Earlier it was Rs. 24.46 crores, now it revised to Rs. 28.26 crores. Already KVIC has settled the claims for the current disbursement of Rs. 13.80 crores made by banks. Concern is only about pending old claims.*

*Sri. V. R. Raveendranath, Chief General Manager, NABARD made the following issues for the consideration of the forum.*

- (1) DPI Scholarship disbursement – inclusion of District Cooperative Banks as disbursement point of all DPI scholarship in Kerala. This has to be taken up with MHRD, GOI by the State Government*
- (2) Convergence of Solar Pumpset schemes of Government of India along with State Government scheme. 600 pumpsets has been assigned for Kerala during 2016-17.*
- (3) SAMIS – progress is really hampered because computer agency authorized for SAMIS is delaying data feeding on the pretext that rates given to them is not adequate and they are insisting for revision of rates in view of the continued uncertainty of policy. The banks are unwilling to revise the rates. This is the feedback from DDMs.*

*LDM, Malappuram pointed out that it is long pending issue and we are collecting the LBR data from the bank branches individually every month. Except, Canara Bank, KGB and some extent SBI no other Controlling Offices of banks are furnishing the consolidated data.*

*Sri. M. K. Bhattacharya, Chief General Manager, State Bank of Travancore raised an issue which would be discussed in the sub-committee of SLBC on Education Loan. Referring the reports on Education Loan coming in the print and visual media for the last 10 days, he informed that SBT officials going for collections are getting threatening calls, Damaging statement are given by some people in the print & visual media that. Revenue recovery officers also threatened. He stated that the matter is causing concern because SBT having 20 % of the portfolio of the State. 80% of the SBT portfolio is below 4 lakhs. He requested that this has to be brought into the sub-committee on Education Loan*

*Sri. Rajesh Kumar Mathur, Chief Regional Manager, Indian Overseas Bank added that they are experiencing similar problems, Managers going on the field are threatened especially for Education Loan recovery and other things. As a result of adverse reports in print and visual media major chunk of Education loan in IOB is becoming NPA. It is big concern.*

*The forum decided that the above issues would be discussed in the Sub-Committee on Education Loan.*

**(Action: SLBC Cell)**

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

The forum concurred with the review of the performance under various sectors as at June 2016 Quarter provided in the background notes supplied.

The 119<sup>th</sup> meeting of SLBC, Kerala concluded with the above deliberations.

**Sri. S. Sreekumar**, Deputy General Manager, Canara Bank proposed vote of thanks.

## PARTICIPANTS

### CHAIRMAN OF THE MEETING

Sri. Dina Bandhu Mohapatra

Executive Director, Canara Bank

### GOVERNMENT OF KERALA / GOVT. OF INDIA / DEVELOPMENTAL AGENCIES

- |                                     |   |
|-------------------------------------|---|
| 1. Sri. S. M. Vijayanand, IAS       | Chief Secretary, Government of Kerala                   |
| 2. Dr. K. M. Abraham, IAS           | Addl. Chief Secretary, Finance Department               |
| 3. Sri. V. S. Senthil, IAS          | Addl. Chief Secretary, Planning & Economic Affairs Dept |
| 4. Sri. Paul Antony, IAS            | Addl. Chief Secretary, Industries Department            |
| 5. Sri. James Varghese, IAS         | Principal Secretary, Fisheries & Ports Department       |
| 6. Sri. Ashok Kumar Singh, IAS      | Director (FI), DFS, Ministry of Finance, GoI            |
| 7. Sri. Minhaj Alam, IAS            | Secretary, Finance (Resources)                          |
| 8. Dr. M. S. Lakshmi Priya, IAS     | Assistant Secretary, DFS, Ministry of Finance, GoI      |
| 9. Smt. T. K. Ajitha Kumari         | Additional Secretary, Planning & Economic Affairs Dept. |
| 10. Smt. Manju S.                   | Deputy Secretary, Revenue Department                    |
| 11. Sri. Patsy Stephen              | Under Secretary, Taxes Department                       |
| 12. Sri. P. K. Mohanan              | Joint Development Commissioner for Rural Development    |
| 13. Smt. Sajitha C. K               | Additional Director of Agriculture                      |
| 14. Dr. Annie                       | Additional Director of Animal Husbandry                 |
| 15. Smt. Sheela P.                  | Additional Director, State Horticulture Mission         |
| 16. Sri. Abraham T. Joseph          | Joint Director, Dairy Development Department            |
| 17. Sri. M. Subramonian             | Deputy Director of Agriculture                          |
| 18. Smt. Mary Kusumam               | Deputy Director of Handloom & Textiles                  |
| 19. Smt. Smitha B. S.               | Deputy Director of Fisheries                            |
| 20. Smt. Simi C. S.                 | Deputy Director of Industries & Commerce                |
| 21. Dr. A. H. Shajil                | Assistant Director of Animal Husbandry                  |
| 22. Sri. I. Jawahar                 | State Director, KVIC                                    |
| 23. Sri. V. V. Ajayakumar           | Director, KVIB  |
| 24. Sri. John Joseph Vadassery      | Deputy General Manager, HUDCO                           |
| 25. Sri. K. R. Krishnakumar         | Assistant Director, MSME Development Institute          |
| 26. Sri. Pradeep R                  | Assistant Director, KVIC                                |
| 27. Smt. Rugminidevi K. C.          | Managing Director, SFAC                                 |
| 28. Sri. P. K. Sajankumar           | Joint I. G of Registration                              |
| 29. Sri. C. M. Ajeyya Mohan         | Additional Registrar, Co-operative Department           |
| 30. Sri. Premnath Ravindranath      | General Manager, KFC                                    |
| 31. Smt. Santha Varkey              | Senior Divisional Manager, LIC of India                 |
| 32. Sri. K. Kishore Kumar           | State Director, RSETI, Kerala                           |
| 33. Sri. Rajesh D.                  | Regional Manager, Agri Insurance Company of India Ltd.  |
| 34. Sri. B. Baiju                   | Regional Manager, United India Insurance Co. Ltd.       |
| 35. Sri. Harikrishnan R. S.         | Senior Manager, HUDCO                                   |
| 36. Sri. Reju Tom Lal               | Manager, Akshaya  |
| 37. Smt. Roshni Pillai              | Manager (PMAY), Kudumbashree                            |
| 38. Smt. K. V. Sumana               | Regional Officer, Coir Board                            |
| 39. Sri. V. L. Kesavadas            | Branch Manager, LIC of India                            |
| 40. Sri. Ramesh S. Karisomanagoudar | Senior Horti Officer, National Horticulture Board       |
| 41. Sri. Noushad P.                 | SRP, UIDAI  |
| 42. Sri. T. V. Sabu                 | Inspector, Coir Board                                   |

## **RESERVE BANK OF INDIA**

- |                      |                        |
|----------------------|------------------------|
| 1. Sri. C. Saravanan | Deputy General Manager |
| 2. Sri. Padmaraj E   | Manager                |

## **NABARD**

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|-----------------------------|------------------------|
| 1. Sri. V. R. Raveendranath | Chief General Manager  |
| 2. Smt. Usha P. T.          | Deputy General Manager |
| 3. Sri. Regi Varghese       | Manager                |

## **STATE BANK GROUP**

- |                               |                                |
|-------------------------------|--------------------------------|
| 1. Sri. S. Venkataraman       | Chief General Manager, SBI     |
| 2. Sri. M. K. Bhattacharya    | Chief General Manager, SBT     |
| 3. Sri. Hargovind Sachdev     | General Manager, SBT           |
| 4. Sri. M. Vijayakumar        | Deputy General Manager, SBI    |
| 5. Sri. R. Mathialagan        | Assistant General Manager, SBI |
| 6. Sri. M. K. Sreedharan Unii | Assistant General Manager, SBT |
| 7. Sri. George John           | Chief Manager, SBT             |
| 8. Sri. R. Ganesan            | Chief Manager, SBBJ            |
| 9. Sri. Sreejith J. S.        | Manager, SBM                   |
| 10. Sri. Aneesh B. N.         | Deputy Manager, SBH            |

## **PUBLIC SECTOR BANKS**

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|------------------------------|--|
| 1. Sri. Rajesh Kumar Mathur  | Chief General Manager, Indian Overseas Bank      |
| 2. Sri. Thomas John B.       | Deputy General Manager, Dena Bank                |
| 3. Sri. G. V. Ramanamurthy   | Deputy Regional Head, Union Bank of India        |
| 4. Sri. P. Damodara Rao      | Assistant General Manager, Syndicate bank        |
| 5. Sri. Sasikumar Kurup      | Assistant General Manager, Bank of India         |
| 6. Sri. Sandeep S. Nair      | Assistant General Manager, IDBI Bank             |
| 7. Sri. Niranjan Biswas      | Assistant General Manager, Central Bank of India |
| 8. Sri. Thomas T. C.         | Deputy Zonal Manager, Indian Bank                |
| 9. Sri. K. Joykutty          | Chief Manager, Punjab National Bank              |
| 10. Sri. Anand Kumar Jha     | Chief Manager, Bank of Baroda                    |
| 11. Smt. Bindu P.            | Chief Manager, Corporation Bank                  |
| 12. Sri. Manish Pillay       | Chief Manager, Allahabad Bank                    |
| 13. Sri. K. Ramesh           | Chief Manager, Oriental Bank of Commerce         |
| 14. Smt. Jayasree V. R.      | Chief Manager, Bharatiya Mahila Bank             |
| 15. Sri. Krishna Kumar P. G. | Chief Manager, UCO Bank                          |
| 16. Sri. M. Binu Jones       | Chief Manager, Punjab & Sind Bank                |
| 17. Sri. Frony John P.       | Senior Manager, Syndicate Bank                   |
| 18. Sri. E. V. Sudhakaran    | Senior Manager, United Bank of India             |
| 19. Smt. Yamini S. Kumar     | Branch Manager, Bank of Maharashtra              |
| 20. Sri. N. S. Subramanian   | DCO, Central Bank of India                       |

### **CONVENOR BANK (CANARA BANK)**

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|----------------------------|----------------------------------|
| 1. Sri. N. Sivasankaran    | Convenor, SLBC & General Manager |
| 2. Sri. Ravindra Bhandary  | General Manager                  |
| 3. Sri. S. Sreekumar       | Deputy General Manager           |
| 4. Sri. Nair Ajit Krishnan | Deputy General Manager           |
| 5. Sri. V. S. Santosh      | Divisional Manager               |
| 6. Smt. Anila J. Andrews   | Officer                          |
| 7. Smt. Nisha V. L         | 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             | Chief General Manager, Federal Bank          |
| 2. Sri. P. B. Krishnadas           | Deputy General Bank, South Indian Bank       |
| 3. Sri. Rajan Sreeba               | Assistant General Manager, Dhanlaxmi Bank    |
| 4. Sri. V. Varghese                | Zonal Manager, Catholic Syrian Bank          |
| 5. Sri. Jithesh Janardhanan        | AVP, HDFC Bank                               |
| 6. Sri. Royson Francis             | AVP, Indus Ind Bank                          |
| 7. Sri. Tony Thomas                | Chief Regional Manager, ICICI Bank           |
| 8. Sri. Rohit Sharma               | Relationship Executive, Jammu & Kashmir Bank |
| 9. Sri. Jayakrishnan P.            | Senior Manager, Karur Vysya Bank             |
| 10. Sri. Madhusoodana Sarma        | Manager, Lakshmi Vilas Bank                  |
| 11. Sri. Chandrakant Kamath        | Manager, Axis Bank                           |
| 12. Sri. T. S. Venkata Subramanian | Manager, City Union Bank                     |
| 13. Sri. D. Deva Singh             | Senior Officer, YES Bank                     |
| 14. Sri. Rakesh V. G.              | Officer, Karnataka Bank                      |
| 15. Sri. Gojo Chandu               | AM, Tamilnad Mercantile Bank                 |

### **CO-OPERATIVE BANKS**

- |                           |                  |
|---------------------------|------------------|
| 1. Sri. S. M. Sharabudeen | ADM, KSCARD Bank |
| 2. Sri. K. Vijayan        | ADO, KSCARD Bank |

### **LEAD BANK OFFICES**

- |                                  |                                     |
|----------------------------------|-------------------------------------|
| 1. Sri. P. R. Unnikrishna Pillai | LDM, IOB, Trivnadrum                |
| 2. Sri. A. Padmakumar            | LDM, Indian Bank, Kollam            |
| 3. Sri. Vijayakumaran V          | LDM, SBT, Pathanamthitta            |
| 4. Sri. Jagadeesh Rajkumar       | LDM, SBT, Alappuzha                 |
| 5. Sri. Chandrasekharan C. V     | LDM, SBT, Kottayam                  |
| 6. Sri. M. V. Kunhi Kannan       | LDM, Union Bank of India, Idukki    |
| 7. Sri. C. Satish.               | LDM, Union Bank of India, Ernakulam |
| 8. Sri. R. R. Kanakambaran       | LDM, Canara Bank, Thrissur          |
| 9. Sri. P. Joseph Sam.           | LDM, Canara Bank, Palakkad          |
| 10. Sri. K. Abdul Jabbar         | LDM, Canara Bank, Malappuram        |
| 11. Sri. Sunil P. L.             | LDM, Canara Bank, Kozhikode         |
| 12. Smt. M. D. Shyamala          | LDM, Canara Bank, Wayanad           |
| 13. Sri. P. Santhosh             | LDM, Syndicate Bank, Kannur         |
| 14. Sri. C. S. Remanan           | LDM, Syndicate Bank, Kasaragod      |