

STATE LEVEL REVIEW MEETING 2014

1. ADOPTION OF MINUTES

The minutes of the 112th meeting of SLBC, Kerala held on 21st March, 2014 has already been forwarded to the members vide Convener's letter SLBC 35 70 2014 KRA dated 09.04.2013.

The House may adopt the said minutes.

2. ISSUES FOR GROUP DISCUSSION ON PRIMARY SECTOR (GROUP I)

2.1. Review of Performance under Annual Credit Plan 2013-2014

2.1.1. Bank wise Performance – Primary Sector

(Rs. in Crores)

Parameter	2012-2013	2013-2014
Target	30064	34736
Achievement	37710	42890
Percentage of Achievement	125.43	123.48

The banking sector in the State disbursed **Rs. 42890 crores** to the farm sector during the fiscal 2013-14, surpassing the target of **Rs. 34736 crores** fixed with a comfortable margin and achieved **123.48 %** of the targeted level.

The share of various banking groups in the disbursement to primary sector is as follows.

(Rs. in Crores)

Banking Group	Disbursement	% Share in Total Disbursement	% Achievement of the target
State Bank Group	9248	21.56	153.93
Nationalised Banks	12985	30.28	146.59
RRB	4619	10.77	137.33
Private Sector Banks	6535	15.24	122.76
Co-operatives	9503	22.15	84.98
STATE TOTAL	42890	100	123.48

Nationalised Banks accounted for **(30.28%)** of the total disbursement in the State to primary sector followed by State Bank Group **(21.56%)** and Co-operative Sector **(22.15 %)**. Private Sector Banks accounted for **15.24 %** of the disbursement under the ACP 2013-14. The group may deliberate on the ways to ensure proportionate and equitable participation of all banks in lending to the agriculture sector of the State.

Bank-wise review of the performance reveals that the following major banks though having more than 50 branches in the State did not achieve the target in this sector during 2013-14.

Sl. No.	Bank	% Achievement
1	Bank of India	82.61
2	Indian Overseas Bank	80.43
3	Indian Bank	95.02
4	Catholic Syrian Bank	57.49
5	Axis Bank	98.51

2.1.2. District wise Performance under Primary Sector

The District wise performance details are furnished in Annexures. Thrissur District leads in achievement of the target (**150.84 %**) followed by Kozhikode (**146.24%**) and Ernakulam (**136.92%**). Only Pathanamthitta District missed the target. LDM of Pathanamthitta District should take corrective steps so that this important target is not missed during the current fiscal. The District wise performance details are furnished in **Annexure-7.11.**

(Rs in. Crores)

Sl. No.	District	Target	Achievement	% Achievement
1	Thrissur	3385	5106	150.84
2	Kozhikode	2422	3541	146.24
3	Ernakulam	3145	4307	136.92

2.2. Agriculture Advances (Refer Annexure 7.4)

(Rs in. Crores)

Parameter	Outstanding				Variation		
	March 2011	March 2012	March 2013	March 2014	March '11- March '12	March '12- March '13	March '13- March '14
Agriculture Advances	27439	36209	45055	48812	8770	8846	3757

The outstanding advances to agriculture sector for Commercial Banks in the State have increased by **Rs. 3757 crores** during the fiscal 2013-14. Agricultural advances had shown a growth rate of **8.33 %** during the last financial year. The outstanding agriculture advances stood at **Rs. 48812 crores** as at March 2014, which is **25.42%** of the total advances outstanding in the State and is well above the mandatory norm of 18% fixed by RBI.

**Banking Group wise Performance under
Agriculture Advances as at March 2014**

(Rs in. Crores)

Bank	Total Advances			Agriculture Advances			% Agri. Advances to Total Advances (March 2014)
	March 2013	March 2014	Growth March '13-March '14	March 2013	March 2014	Growth March '13-March '14	
State Bank Group	55398	57402	2004	13694	13986	292	24.36
Nationalised Banks	59686	65728	6042	19091	20000	909	30.43
RRB	7561	9041	1480	3688	4812	1124	53.22
Private Sector Banks	52442	59839	7397	8582	10014	1432	16.73
GRAND TOTAL	175087	192010	16923	45055	48812	3757	25.42

Private Sector Banks has contributed the highest quantum growth in agriculture advances outstanding (**Rs. 1432 crores**) followed by RRB (**Rs. 1124 crores**). Nationalised Banks have shown a growth of **Rs. 909 crores** and State Bank Group had shown a growth of **Rs. 292 crores**.

53.22 % of the advances outstanding with RRB in the State was to agriculture sector. It has to be noted that this had increased from a level of **48.78 %** as at March 2013. Private Sector Banks has the least outstanding under agriculture in terms of percentage agriculture advances to total advances (only **16.73%**).

As far as KSCARD Bank is concerned, **20.05 %** of their advances was to agriculture sector. This had declined from a level of **21.63 %** as at March 2013.

2.3. Performance under Kisan Credit Card Scheme (Refer Annexure 7.22)

As per the reports available with the Convenor SLBC, **407082** Kisan Credit Cards with an amount of **Rs. 4875 crores** have been issued during the year 2013-14 by the banking sector in the State. **3828604** KCCs were issued since inception involving a credit outlay of **Rs. 25610 crores**. As at March 2014, the outstanding number of loan accounts under KCC is **1730679** with **Rs. 10961 crores**. **661508** farmers were covered under Personal Accident Insurance Scheme (PAIS) linked to KCC. Bank wise data is given in the annexure.

2.4. Agri-Clinics and Agri Business Centres (Refer Annexure 7.21)

The outstanding accounts under Agri clinics in the State by Commercial Banks are **14** with a credit outlay of **Rs. 70.53 lakhs**.

543 Agri-Business Centres opened in the State from the date of inception of the scheme with a credit outlay of **Rs. 32.61 crores**. As at March 2014, **61** Agri-Business centres loans exist with an outstanding amount of **Rs. 2.36 crores**.

2.5. FRESH ISSUES

2.5.1. Waiving bank charges and commissions in respect of the accounts maintained by State Horticulture Mission-Kerala (Suggested by State Horticulture Mission-Kerala)

State Horticulture Mission-Kerala is an institution registered in October 2005 under the Travancore- Cochin Literary Scientific and Charitable Society Act -1955 with the main objectives of implementing 'National Horticulture Mission' programme, a centrally sponsored scheme. 85% of the fund required for implementation of the scheme is funded by Govt. of India. The Mission is functioning with Headquarters at Thiruvananthapuram and is having one District Office in each District. The fund received from Government of India is parked in various nationalized banks in Thiruvananthapuram and other district headquarters (list attached). Earlier the banks were not charging any amount towards bank charges/commission from these accounts maintained by State Horticulture Mission-Kerala. But now it is noticed that the banks (except Indian Bank) are debiting some amount from these accounts towards bank charges/commission.

The Mission is not a profit making institution and the amount received from Government of India is for giving financial assistance to farmers. Any amount, even if it is very small, deducted from this account would affect the benefit payable to the beneficiary farmers.

In the above circumstance, SLBC may kindly look into the matter and give necessary directions to the concerned banks to waive the bank charges/commission in respect of the accounts maintained by State Horticulture Mission-Kerala.

List of Bank Accounts of State Horticulture Mission-Kerala

Sl. No	District	Name of Bank
1	Thiruvananthapuram	Indian Overseas Bank, Peroorkada Indian Bank, Thycaud Bank of Baroda, Palayam State Bank of India, Trivandrum Main
2	Kollam	State Bank of India, Kollam
3	Alappuzha	State Bank of India, Civil Station
4	Pathanamthitta	State Bank of Travancore, Pathanamthitta
5	Kottayam	State Bank of Travancore, Kottayam
6	Ernakulam	State Bank of Travancore, Kakknad
7	Idukki	Indian Bank, Thodupuza
8	Thrissur	State Bank of Travancore, ADB
9	Palakkad	State Bank of India, Palakkad Civil Station Branch
10	Malappuram	State Bank of Travancore, Malappuram Civil Station
11	Kozhikode	State Bank of India, Malaparamba
12	Wayanad	State Bank of Travancore, Kalpetta
13	Kannur	State Bank of India, Kannur-Southbazar Branch
14	Kasaragod	State Bank of Travancore, Kasaragod

Views of the Steering Committee

The Steering Committee advised the banks concerned to look into the guidelines for Government related accounts and to waive service charges if the guideline permits the same. The committee requested all banks to go into the details of the guidelines and come up with their views in this regard before the SLBC meeting.

2.5.2. Implementation of Milk Shed Development Programme for 2014-15 (Suggested by Dairy Development Department)

Department requested for extending loans to the selected beneficiaries of various mini dairy units/heifer rearing units included in the Milk Shed Development Programme scheme and strengthening DCS scheme being implemented by the Department.

Views of the Steering Committee

In the steering committee meeting, it was opined that many banks lack clarity whether the subsidy under the scheme is front ended or back ended. The representative of the Dairy Development Department clarified that the scheme is with front end subsidy. The Steering Committee requested Dairy Development Department to specifically mention that the subsidy is front ended in the application form. The committee decided to place the matter in SLRM for information.

2.5.3. Compliance of RBI guidelines on Agricultural Gold Loans sanctioned by Scheduled Commercial Banks (Suggested by Registrar of Co-operative Societies)

In Kerala, Co-operative Societies and Banks are providing Agricultural loans strictly in accordance with scale of finance. It is noticed that there is a practice existing in some of the Nationalized Banks that after obtaining declaration from the loanees, they are disbursing Agricultural Gold loans up to one lakh without strictly adhering to the scale of finance. SLBC may advise the Banks to provide Agricultural loans strictly in accordance with scale of finance.

Views of the Steering Committee

The Steering Committee noted that an RBI guideline on Agricultural Gold Loan (AGL) is very clear and all banks should adhere to the same.

The Assistant General Manager, RBI informed that a study conducted by RBI revealed that some banks are granting AGL without proper compliance of RBI guidelines. He added that RBI had issued instruction to Corporate Offices of all banks to strictly follow the below conditions while sanctioning AGL.

- (i) Person should be an agriculturist*
- (ii) Scale of finance should be strictly adhered to and end use is to be verified.*
- (iii) Branch Managers should conduct the pre and post sanction inspection.*
- (iv) Seasonality is to be observed with regard to disbursement and recovery.*

The Steering Committee advised banks to scrupulously follow the extant RBI guidelines on Agriculture gold loans. It was decided to place the matter in SLRM for information of banks.

2.6. PENDING ISSUES IN SLBC & ACTION TAKEN REPORT

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
2.6.1	<p>Allocation of Agri. Term Loan (ATL) - Agency-wise target in each Financial year to promote investment credit and Capital formation in the sector - (Pending since September 2012)</p>	<p><i>In the 107th Meeting of SLBC Kerala, it was proposed that SLBC shall allocate the revised target for term loans, agency wise. Based on the apprehension that the enhanced target may affect the PLP and DCP already put in place, the forum concurred with the view that Government may constitute a committee comprising of various departments so as to enable identification and allocation of the activities.</i></p> <p><i>Agriculture Department was entrusted to convene a meeting with respective field departments, commodity Boards, Planning Board and Banks to identify and allocate the activities to be promoted under investment credit to improve the credit off take under term loans.</i></p>	<p><i>Agriculture Department</i></p>	<p>The matter was discussed as an agenda item both in 108th & 109th Meeting of SLBC, Kerala. The Agricultural Production Commissioner, Government of Kerala assured convening the meeting in consultation with NABARD and SLBC for allocating agency wise targets.</p> <p>The meeting of the core group was conducted on 14.05.2013 to examine the ways and means for improving the investment credit in the State of Kerala. It was decided to constitute District level committees consisting of the following members:</p> <ol style="list-style-type: none"> 1. Lead District Manager (Convenor) 2. District Development Manager, NABARD 3. Deputy Director (Credit), Agriculture Department 4. Deputy Director, Dairy Development Department 5. Deputy Director, Animal Husbandry Department 6. Deputy Director, Fisheries Department <p>It was decided that the group in each District shall prepare schemes applicable to the District based on the potential plan; generate required applications for such scheme, sponsor such cases to the financing banks, follow up with Banks for early disposal of applications and reviewing the progress in BLBC/DLRC meetings. A financial plan for the various predominant activities was to be prepared and placed in the DLRC of the respective districts for approval.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
		<p>When the matter came up for discussion in the State Level Review Meeting of SLBC, Kerala held on 25th & 26th June, 2013 the forum advised that:</p> <ul style="list-style-type: none"> • Sub-Committee meetings to be conducted immediately in all the remaining districts. • Identified Government Departments to present implementable action plan based on the PLP, DCP and the potential available in the district. • Field departments shall identify the beneficiaries and help them to prepare viable bankable proposals and forward it to financing banks. • Wherever possible model projects are also to be prepared for the popular activities in the District. • Review of progress to be undertaken in BLBC/ DCC/ DLRC meetings. 		<p>SLBC Cell, vide letter SLBC 38 186 2013 KRA dated 24.07.2013, had taken up the matter with LDMs/DDMs with action points for various stakeholders and copy forwarded to the Director of Agriculture, Government of Kerala.</p> <p>The matter was discussed in 110th & 111th SLBC meeting and the forum noted that the progress made is not encouraging and decided to bring the same to the notice of Agriculture Production Commissioner, Govt of Kerala.</p> <p>During the 111th meeting of SLBC, Kerala held on 23.12.2013, the Deputy Director of Agriculture informed that meetings were conducted in all the 14 districts. Department officials are preparing the action plan in consultation with bank officials of respective districts. This process is on and finalisation of the plan would be done within 15 days.</p> <p>In the Sub-Committee of SLBC, Kerala on Pending Issues with Government of Kerala held on 04.01.2014 at Government Secretariat chaired by Sri. V. Somasundaran IAS, Additional Chief Secretary, Finance Department, it was informed that Bankable projects have been identified in 4 districts viz. Kannur, Malappuram, Wayanad, Kozhikode. Applications are submitted to the respective LDMs of Malappuram and Wayanad districts. Agriculture Department had given suitable instruction in this regard.</p> <p><i>The following decisions were taken by the Sub-Committee:</i></p> <ul style="list-style-type: none"> • <i>The scheme has to be placed before district level committees and in turn the committee would approve the scheme for implementation.</i> • <i>Agriculture Department should have a plan of action for the current year.</i> • <i>Deadline to be given as one month.</i> • <i>Agricultural Production Commissioner to have a meeting with LDMs, NABARD and other field Departments in this regard.</i>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p>Directorate of Agriculture vide letter TP(\$)<u>44689/13</u> Dated 22.02.14 had informed the following:</p> <ol style="list-style-type: none"> 1) Instructions had been issued to District level officers to finalise implementable action plans, identify beneficiaries and to help them to prepare viable bankable proposals. 2) Credit linked projects are being submitted by the Principal Agricultural Officers to LDMs. <p><i>The details of requirement of Agri term loans (Agriculture and allied sectors) consolidated by Directorate of Agriculture from the data given by Principal Agriculture Officers of the Districts' is given in Annexure - 7.67. District wise breakup of disbursement under Crop Loan & Term loan component as at March 2014 is given in Annexure-7.50.</i></p> <p><i>The Sub-Committee of SLBC that met on 06.03.2014 noted that the above meeting and suggested action points is not conducted so far and hence decided to pursue the matter with Agriculture Department.</i></p> <p><i>During the 112th Meeting of SLBC, Kerala held on 21.03.2014, Sri. K. R. Jyothilal IAS, Secretary, Agriculture Department, Government of Kerala informed that data base of 18.77 lakh registered farmers is readily available. He added that Agriculture Department would prepare term loan projects for all these 18.77 lakh registered farmers wherever they are in need of a term loan. This would take care of the investment loan requirement of the State. The process would be covered within a period of one year.</i></p> <p>Agriculture Department may inform the progress.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
2.6.2	Stamp Duty exemption for Agricultural loans availed from Commercial Banks - Pending since March 2012	<i>Stamp duty on agricultural loan is exempted for co-operative banks in Kerala. However, such exemption is not available for Commercial Banks and RRBs. The share of primary sector credit by Commercial banks is substantial. It is recommended by Department of Financial Services, GoI, that, the same may be made applicable to commercial banks also which may result in an increased credit flow to agriculture sector.</i>	Taxes Department in coordination with Finance	<p>In the 107th Meeting of SLBC, when the issue was raised, the representative from Taxes Department informed that financial implication on the matter is under the consideration of Finance Department in consultation with Taxes Department</p> <p>SLBC Cell vide letter No. SLBC 35 34 2013 AKP dated 21.01.2013 had followed up the matter with Finance Dept.</p> <p>Vide letter No. 5262/E2/12/TD dated 04.04.2013 of Secretary, Taxes (E) Department, Government of Kerala informed as follows:</p> <p>വാണിജ്യ ബാങ്കുകൾ നൽകുന്ന കാർഷിക വായ്പകളുമായി ബന്ധപ്പെട്ട കരണങ്ങൾ (Deposit of Title deed - Equitable mortgage) ഐക്യമായി (Optional) മാത്രം രജിസ്റ്റർ ചെയ്യുന്ന കരണമായതിനാൽ, ആയവ വ്യാപകമായി രജിസ്റ്റർ ചെയ്ത് വരുന്നില്ല. മേൽ സാഹചര്യത്തിൽ ഇത്തരം കരണങ്ങൾക്ക് വേണ്ടിവരുന്ന മുദ്രസല ഒഴിവാക്കണമെന്ന ആവശ്യത്തിന് പ്രസക്തി ഇല്ല എന്ന വിവരം അറിയിച്ചു കൊള്ളുന്നു.</p> <p>ഈ വിഷയവുമായി ബന്ധപ്പെട്ട ഇനം SLBC യുടെ അജണ്ടയിൽ നിന്നും മാറ്റണമെന്നും ഇതിനാൽ അഭ്യർത്ഥിക്കുന്നു.</p> <p>The above reply given by Taxes Department is pertaining to stamp duty on equitable mortgage and not regarding exemption of stamping of agriculture loan agreements executed by the farmers. The State Level Review Meeting of SLBC, Kerala held on 25th & 26th June, 2013 decided, the Department may have a re-look on the exact requirement of the agenda suggested and convey a decision to SLBC.</p> <p>SLBC Cell, vide letter SLBC 38 187 2013 KRA dated 24.07.2013, had again taken up the matter with the Secretary, Finance Department, under a copy each to Secretary(Agriculture) & Secretary (Taxes), Govt. of Kerala.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p>In the 111th meeting of SLBC, Kerala held on 23.12.2013, Sri. K. M. Mani, Hon'ble Minister for Finance, Government of Kerala informed that the matter is being seriously considered by Government of Kerala and it has to be placed in the Cabinet for final decision. He assured the forum that the matter would be re-examined.</p> <p>The matter came up for discussion in the Sub-Committee Meeting of SLBC, Kerala on Pending Issues with Government of Kerala held on 04.01.2014 at Government Secretariat chaired by Sri. V. Somasundaran IAS, Additional Chief Secretary, Finance Department. In the meeting, it was informed that the matter would be considered on merits by Taxes Department.</p> <p><i>The Sub-Committee directed SLBC Cell to take up the matter with Secretary, Taxes Department under a copy to Additional Chief Secretary (Finance), Government of Kerala.</i></p> <p>The Sub-Committee that met on 06.03.2014 decided to pursue the matter with Taxes Department.</p> <p><i>During the 112th Meeting of SLBC, Kerala held on 21.03.2014, Dr. A. Kowsigan IAS, IG, Registration Department informed that stamp duty exemption would be granted from the financial year 2014 with effect from 01.04.2014. Government had fully exempted the 5% stamp duty for the Agricultural loans and Education loans availed from Commercial Banks.</i></p> <p><i>Referring agenda item (Need for Reduction in Stamp Duty and Registration charges for Registered Memorandum) he informed that for all mortgage deeds executed for availing loans from commercial banks, the stamp duty has been reduced from 5% to 0.5% subject to maximum of Rs. 20,000/-. When it comes to registration fee of such mortgage deeds, stamp duty is reduced from 2% to 1% subject to a maximum of Rs.500/-. This would be with effect from 01.04.2014 onwards for which an executive order would</i></p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p style="text-align: center;"><i>be issued.</i></p> <p><i>The forum noted that clarity is lacking in the decisions conveyed, since as per practice the stamp duty for Agriculture loans and Education loans is not 5%. Further the agenda is on stamp duty applicable for Agriculture loan agreements and not for mortgage deeds. Hence the forum decided to seek clarification on the matter with Taxes Department.</i></p> <p><i>Taxes Department may give clarification along with supporting Government Orders on the above matter as mentioned in the minutes of last SLBC meeting (extract given above)</i></p>
2.6.3	<p style="text-align: center;">Issues affecting Credit flow to Animal Husbandry Sector</p>	<p>(i) <u>Pollution Clearance</u></p> <p>At present Pollution control Board's clearance is required for dairy units having 5 animals and above. Further such units are placed under "Orange" (Hazardous) category. Govt. may consider a graded policy in respect of issuing pollution clearance to AH units. Further, while in cities and corporations there may be restriction on 2-5 animal units in panchayat areas no such restrictions relating to pollution control need be placed</p>	<p style="text-align: center;"><i>Local Self Government Department</i></p>	<p>The matter came up for discussion in the 111th meeting of SLBC, Kerala held on 23.12.2013 at Trivandrum as suggested by NABARD.</p> <p>In the meeting, the Assistant Director, Animal Husbandry Directorate informed that dairy farmers are subject to mandatory licensing from Local Self Government Departments. Below 5 animals there is no need to get pollution clearance. But unfortunately many of the Local Self Government Departments are insisting farmers rearing below 5 animals for pollution control certificate clearance. That causes lot of inconveniences to small scale farmers and many are slowly closing down the unit for due to such implications. He requested that SLBC may recommend for a clarification from the Government in this regard.</p> <p>Sri. V. Somasundaran IAS, Additional Chief Secretary, Finance Department directed Local Self Government Department to issue a circular with clarity.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
		<p>(ii) <u>Taxation of cattle shed</u></p> <p>Dairy cattle shed is being taken as industrial shed and accordingly taxed by panchayaths. This may be removed.</p>		<p>Sri. James Varghese IAS, Principal Secretary, Local Self Government Department informed that so far the issue was not brought to the knowledge of the Government by Animal Husbandry Department, however LSGD will issue a clarification in this regard within the permitted rules. He also informed that Pollution Control laws are coming under Central Act.</p> <p>The forum decided that wherever feasible, pollution clearance shall be given without causing inconvenience to the farmers.</p> <p>The matter came up for discussion in the Sub-Committee Meeting of SLBC, Kerala on Pending Issues with Government of Kerala held on 04.01.2014 at Government Secretariat chaired by Sri. V. Somasundaran IAS, Additional Chief Secretary, Finance Department.</p> <p>(i) <i>Pollution clearance is coming under Environment Protection Act which would be taken up with Government of India. State Government will issue a clarification based on the extant policy guidelines for maintaining the transparency on the matter.</i></p> <p>(ii) <i>Regarding taxation of Dairy sheds, the matter will be taken up with concerned Government Department.</i></p> <p>The Sub-Committee that met on 06.03.2014 decided to pursue the matter with Local Self Government Department.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p><i>In the 112th Meeting of SLBC, Kerala held on 21.03.2014, Sri. M. Girees Kumar IAS, Officer on Special Duty, Finance (Resources), Government of Kerala informed that Additional Chief Secretary (Finance), Government of Kerala had already taken up the matter with Local Self Government Department and their response is awaited. He assured that the matter would be again taken up with Local Self Government Department. He added that Finance Department is following up the matter based on the decision of the last sub-committee meeting.</i></p> <p>LSGD/Finance Department may inform the progress.</p>

2.6.4	Introduction of a Credit Guarantee Scheme for Agriculture Term Loans similar to CGTMSE - Pending since July 2012	<p><i>In the SLRM 2012, it was suggested that in view of the mounting NPA under Agriculture Term Loans after implementation of ADWDRS, banks were facing serious issues. It was recommended to suggest introduction of a Guarantee Scheme similar to CGTMSE, particularly for Term Loans under Agriculture.</i></p>	<p><i>SLBC / Government of India</i></p>	<p>In response to the recommendation, SLBC Cell had through various letters taken up the matter with the Government of India and their reply is awaited.</p> <p>The 109th meeting of SLBC, Kerala and the State Level Review Meeting (SLRM) 2013 of SLBC, Kerala decided to pursue the matter with Government of India.</p> <p>SLBC Cell, vide letter SLBC 38 190 2013 KRA dated 24.07.2013, had taken up the matter with the Ministry of Finance, Department of Financial Services, Government of India.</p> <p>Subsequently the matter came up for discussion in the 110th, 111th & 112th Meetings of SLBC, Kerala and it was decided to pursue the matter with Ministry of Finance, Department of Financial Services, and Government of India.</p> <p>SLBC Cell had again taken up the matter with the Ministry of Finance, Department of Financial Services, Government of India. Reply is awaited.</p>
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2.7. INFORMATION NOTE

2.7.1. Support to Agribusiness / Agri Clinics trained entrepreneurs (Suggested by Directorate of Agriculture)

Government of India, on 9th April 2012, launched a Flagship programme called “Establishment of Agri Clinics and Agri Business Centres (ACABC)”. The objective of the scheme was to tap the expertise available in the large pool of unutilized graduates in agriculture and allied sectors so as to strengthen transfer of technology and extension services. The idea was to supplement the official extension and support set up for the farming community. Simultaneously, it also aims to develop entrepreneurship skills among the unemployed agriculture youth, empowering them to start their own agribusiness ventures. This will provide a livelihood option for these entrepreneurs, also generates downstream benefits like additional employment avenues and increased farm production. The ACABC programme thus has the potential to convert job seekers into job providers. It is presumed that the ACABC trained professional would bring in much needed social and economic transformation in the agricultural sector of the country.

An agricultural professional trained under the ACABC programme could set up Agri clinics /Agro Service Centres or other agribusiness ventures for gainful self employment while supplementing public extension activities.

Agri Clinics are envisaged to provide expert advice and services to farmers which would enhance productivity of crops/animals and ensure increased income to farmers. Agripreneurs can take up activities like Soil Health Testing, Planting material production, Crop health management, Plant protection services, Crop Insurance, Agro processing, Post harvest technology, Clinical services for livestock, Feed & fodder management, Future trading/hedging services etc.

Agri Business Centres are commercial units of agri-ventures established by trained agricultural professionals for income generation and entrepreneurship developments. Agripreneurs can take up ventures like Custom hiring & Maintenance of farm equipment, Fertilizer units, Sale of other inputs and services in agriculture & allied areas.

At National level MANAGE (National Institute of Agricultural Extension Management) and NTIs (Nodal Training Institutes) at State level provide training & handholding support. In Kerala, the Training Service Scheme, Vellayani of Kerala Agricultural University is the only NTI.

Project Cost: ACABC project cost for individual agripreneurs increased from Rs. 10 lakhs to Rs. 20 lakhs and for group projects from Rs. 50 lakhs to Rs. 100 lakhs. Subsidy is provided as Bank ended composite subsidy @ 36% of total project outlay to general candidates and 44% for Women and SC/ST candidates. Working capital component is also eligible for subsidy with 3 years lock in period.

Year wise details on number of agripreneurs trained, ventures established, loan availed are furnished hereunder.

Year	Total trained	Ventures established	Loan availed
2008	26	16	8
2010	22	11	5
2012	16	10	3
Total	64	37	16

During the current financial year (2014-15) there is a component under the scheme on 'Value Addition' to "Support Agribusiness / Agri Clinics trained entrepreneurs" with a budget outlay of Rs. 25 lakhs to provide assistance to these agripreneurs.

Views of the Steering Committee

Banks may consider the applications of agripreneurs trained under the ACABC scheme for extending credit support. The Steering Committee decided to place the matter in SLRM for information of banks.

2.7.2. Integrated Scheme for Agricultural Marketing (ISAM) by Government of India, Ministry of Agriculture (Suggested by NABARD)

- (i) The Government of India on 13 November 2013 has approved the proposal of Department of Agriculture and Cooperation for continuation and integration of ongoing central sector schemes as Integrated Scheme for Agricultural Marketing (ISAM) during 12 Plan (2012-17). The ISAM will have the following five sub Schemes:
- Agricultural Marketing Infrastructure (AMI) [The existing schemes of Grameen Bhandaran Yojana (GBY) and Development / Strengthening of Agricultural Marketing Infrastructure, Grading and Standardization (AMIGS) will be merged as AMI]
 - Marketing Research and Information Network (MRIN)
 - Strengthening of Agmark Grading Facilities (SAGF)
 - Agri-Business Development (ABD) through Venture Capital Assistance (VCA) and Project Development Facility (PDF)
 - Choudhary Charan Singh National Institute of Agriculture Marketing (NIAM)
- (ii) The overall budgetary allocation for ISAM is Rs.4548 crores during the XII Plan. Sub scheme-wise break up of budget provision is Rs.4000.00 crores for AMI, Rs.12.00 crores for MRIN, Rs.6.00 crores for SAGF, Rs.500.00 crores for ABD and Rs.30.00 crores for NIAM.
- (iii) The guidelines for sub scheme of Agri-Business Development to be implemented by SFAC will come into effect from 24 January 2014. All other sub schemes of ISAM will come into effect from 1 April 2014 and the guidelines for sub schemes AMI and GBY will be implemented by NABARD.

- (iv) The maximum ceiling on subsidy in respect of Storage Infrastructure Projects is Rs.225 lakhs to Rs.300 lakhs. Further, for infrastructure projects other than storage projects, the maximum subsidy ceiling is Rs.400 lakhs to Rs.500 lakhs.
- (v) DMI will be conducting Sensitization Programme for the bankers in respect of the revised schemes (ISAM).

Views of the Steering Committee

*In the Steering committee meeting, NABARD reminded banks to submit utilization certificate in respect of Central Government Sponsored Subsidy Schemes wherever NABARD has released the subsidy. Further it was informed that for the current financial year 2014-15, administrative approval for DEES was granted by GoI as per orders dated 01.05.2014, the details of which is given in **Annexure -7.65**.*

The Steering Committee noted the above and decided to place the matter in SLRM for information of banks.

2.7.3. Convening of State Level Unit Cost Committee Meeting (Suggested by NABARD)

The State Level Unit Cost Committee meeting for the ensuing FY 2014-15 will be convened in the first quarter of the Financial Year (by June end). For the purpose, NABARD have commissioned studies made by DDMs, for ascertaining techno economic parameters and viability of various activities under major sectors in the State having potential for Investment Credit. The meeting will be conducted after consolidation/scrutiny of reports obtained from various districts. Meanwhile suggestions on revisions / modifications in Unit Cost for any activity may be forwarded to NABARD, along with supporting economics and details validating such revisions / suggestions.

Views of the Steering Committee

The Steering Committee decided to place the above agenda items in SLRM for information of all stakeholders.

2.7.4. Two cow and three calves-Projects sanctioned for 370 Scheduled Caste families state wide (Suggested by Directorate of Animal Husbandry)

Objectives:

- The proposed project aims at bringing about perceptible growth in production and productivity through integrated development of “homestead farming system”
- To bring about appropriate changes in practices in production of milk, for human and fodder for the animals.
- To introduce appropriate interventions in animal husbandry sector in 14 Districts of the state.
- To orient the animal husbandry development strategies to meet the needs farmers and the community as a whole where Livelihood and production are accorded prime importance

- To create opportunities for multiple livelihoods through livestock farming for economic well-being of the Scheduled Caste farming community by adoption of appropriate strategies.
- To strengthen linkage both backward and forward and to have a handholding approach.
- To augment the income of the farmers belonging to Scheduled caste to lead a better life.
- To contribute positively for Food security as food security is making them available and accessible and in a sustained manner. All these can be achieved through better farming systems.
- To increase the production of milk and replacement stock of cows in the selected areas.

Financial statement:

DAIRY UNITS					
Sl. No	Particulars	Total	Assistance	Beneficiary	Loan
1	Cost of two Cross bred Milch cows in First or Second Lactation to be purchased including transportation cost and insurance @ Rs.35000/cow	70000	52500		17500
2	Cost of Construction of shed 250 sq ft in nature fresh model for Two cows(Automatic drinkers, floor mat for cows etc) @ Rs.200/sq ft	50000	37500		12500
3	Cost of 3 female cross bred calves @Rs.5000 including transportation expenses	15000	11250		3750
4	Cost of providing feed for three calves under SLBP @ Rs.12500/ calf	37500	28125	9375	
5	Utensils for milking and storage of milk Rs.1500/ unit	2500	1875		625
6	Fodder cultivation at the rate of Rs.500 per cent of Land cultivated for 10 cents	5000	3750		1250
7	Total For One Unit	180000	135000*	9375	35625
<p>* On proper consent from the bank, subsidy portion of Rs 1,06,875/- may be credited to bank and Rs 28,125/- may be handed over to District Level Implementing officer of Special Livestock Breeding Programme for feed distribution to calves.(106875 + 28125 = 1,35,000)</p>					

Views of the Steering Committee

In the Steering Committee Meeting, representative from Animal Husbandry Department explained the scheme details and informed that the scheme is exclusively for SC families.

The Steering Committee decided to place the matter in SLRM for information of banks.

3. ISSUES FOR GROUP DISCUSSION ON SECONDARY SECTOR & GOVERNMENT SPONSORED SCHEMES (GROUP II)

3.1. Performance of Secondary Sector under Annual Credit Plan (ACP)

(Rs. in Crores)

Parameter	2012-2013	2013-2014
Target	4708	7127
Achievement	3675	7892
Percentage of Achievement	78.06	110.74

Under secondary sector, which includes MSE, the State had achieved the target for the first time since March 2006. The achievement is **110.74 %** of the annual targets. Banks in the State have disbursed loans to the tune of **Rs. 7892 crores** during the last financial year under Secondary sector.

3.2. Review of Disbursements to Secondary Sector under ACP

During the period ended March 2013, the disbursement to the secondary sector was **Rs. 3675 crores** whereas during the same period for the current year (i.e 2013-14) banking sector in the State could disburse **Rs. 7892 crores**. There is an increase of about **Rs. 4217 crores** under disbursement in SME sector compared to 2013-14 (**114.75 %** increase). This year State had achieved the set target under SME in ACP.

State Bank Group accounted for **43.18 %** of disbursements, followed by Nationalised Banks **23.75 %** and Private Banks **19.17 %**. Co-operative Banks accounted for **8.96 %** of the total disbursement in the sector. The disbursements made are **Rs. 3408 crores**, **Rs. 1874 crores**, **Rs. 1513 crores** and **Rs. 707 crores** respectively by these categories of banks. Performance of RRB needs improvement. RRB could only achieve **52.70 %** of the target under ACP. State Bank of Travancore leads in the quantum disbursement to secondary sector in the State by disbursing **Rs. 2091 crores** closely followed by State Bank of India at **Rs. 1299 crores**.

(Rs. in Crores)

Bank	Disbursement to Secondary sector			% Share for 2013-14
	2011-12	2012-13	2013-14	
State Bank Group	619.74	762.48	3408	43.18
Nationalized Banks	778.48	680.19	1874	23.75
Private Sector Banks	558.38	1131.32	1513	19.17
RRB	58.11	87.96	131	1.66
Co-operatives	370.29	822.92	707	8.96
KFC	228.37	190.35	259	3.28
STATE TOTAL	2613.37	3675.22	7892	100

Among districts, the highest quantum disbursement to secondary sector was reported from Ernakulam district (**Rs. 2773 crores**) followed by Kollam (**Rs. 1982 crores**) and Trivandrum district (**Rs. 682 crores**).

Under percentage achievement, Wayanad district leads the list with **291 %**, followed by Ernakulam (**203%**) and Kozhikode (**157%**). Alappuzha (**37.82%**), and Malappuram (**48.07%**) districts could achieve only less than 50% of the targets.

Ernakulam district (Rs **2773** crores) accounted for **35.13 %** of the total disbursement to secondary sector in the State. The least quantum of disbursement was reported from Idukki district (Rs. **78** crore).

LDMs especially Alappuzha, Malappuram, Idukki, Kannur & Palakkad districts and Controlling Offices of Banks are requested to take remedial measures to set right the shortcomings. The group is requested to examine and deliberate on the reasons for the low off take of credit in some districts and to suggest strategies to be adopted to augment the flow of credit to secondary sector.

3.3. Performance under Outstanding Advances in SME sector

3.3.1. Performance under SME Advances under priority sector

Micro and Small Enterprises of the SME sector advances only forms the priority credit part of SME.

(Rs. in Crores)

Parameter	Outstanding				Variation		
	March 2011	March 2012	March 2013	March 2014	March'11-March'12	March'12-March'13	March'13-March'14
SME Advances	16896	20593	23563	32069	3697	2970	8506

The total outstanding under SME (Priority) advance of commercial banks in the State has gone up by **Rs. 8506 crores (36.10% growth)** during the fiscal 2013-14. The growth is highly encouraging as compared to that recorded (**Rs. 2970 crores**) during the corresponding period of the previous fiscal.

We still come across instances of controlling offices of a few Banks reporting data on SME advances incorrectly to SLBC. The focussed attention in this area is very much required so that the reporting under SME Sector becomes accurate and error free as per the amendments made in the MSMED act and Priority sector guidelines of RBI.

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

(Rs. in Crores)

Banking Group	SME Outstanding (Priority)											
	March 2013						March 2014					
	Micro Enterprises		Small Enterprise		Retail Trade		Micro Enterprises		Small Enterprise		Retail Trade	
	No.	Amt	No.	Amt	No.	Amt	No.	Amt	No.	Amt	No.	Amt
State Bank Group	25620	2799	61209	2262	38528	686	28881	3344	51169	2849	31079	982
Nationalized Banks	181320	3761	32819	4442	50206	1216	214417	4529	41649	5439	47097	1198
RRB	66902	505	700	45	148509	936	60205	497	727	101	133052	867
Private Sector Banks	95448	2546	25708	3480	22403	885	126058	4129	26566	6689	27945	1445
GRAND TOTAL	369290	9611	120436	10229	259646	3723	429561	12499	120111	15078	239173	4492

3.3.2. Small and Medium Enterprises (SME) Advances (Refer Annexures 7.6 & 7.36)

Consequent on the promulgation of MSMED Act, 2006 the advances classified under SME comes under priority (Micro & Small Enterprises) as well as Non-Priority (Medium Enterprises). The total advances under SME priority as at March 2014 come to **Rs. 32069crores** for the commercial banks in the State. Out of this, Micro and Small Enterprises constitute **Rs. 12499 crores** and **Rs. 15078 crores** respectively for Commercial banks, which forms part of Priority Credit. The advances outstanding under Retail Trade amount to **Rs. 4492 crores**. The non-priority part of SME credit component that includes Medium Enterprises has shown an outstanding level of **Rs. 6410 crores** covering **10393** loan accounts with commercial banks. The bank wise details are given in the Annexure 7.6 & 7.36.

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

The major recommendations of the task force are given below:

- Achieve a 20% year-on-year growth in credit to micro and small enterprises to ensure enhanced credit flow.
- The allocation of 60% of the MSE advances to the micro enterprises to be achieved in stages; viz. 50% in the year 2010-11; 55% in the year 2011-12 & 60% in the year 2013-14; and
- Achieve a 10% annual growth in number of micro enterprise accounts.

Performance of the State under above parameters is as follows:

Sl. No.	Parameter	March 2013	March 2014	Increase	% Increase	Target
1	No of Loan accounts under Micro Enterprise	546942	599110	52168	9.54	10%
2	Credit under Micro and Small Enterprise (Rs.in Crores)	23563	32069	8506	36.10	20%
3	Share of Micro Enterprise to total MSE Credit (%)	48.50	44.57	-3.93		60%

In the matter of outstanding credit to Micro and Small Enterprise, state could post a growth rate of **36.10 %** against the mandated 20%. In the case of growth in number of loan accounts under Micro Enterprise, the State could achieve 9.54 % against the target of 10%. The share of Micro Enterprise only accounted for **44.57 %** against the mandated level of 60% as at March 2014.

3.4. Performance under Micro-credit (Annexures 7.24 to 7.27)

SLBC had compiled the data obtained from all banks regarding the cumulative performance of banks in the State as at March 2014. The bank-wise performance is given as annexures.

On a review of the performance, it is seen that about **508305** SHGs are maintaining savings account with commercial banks as at March 2014 in the State.

The banking group-wise data is as follows.

(Rs in. Crores)

Banking Group	SHGs maintaining Savings a/c		Of which No. of SHGs under	
	No.	Amount	Government Sponsored	Exclusive Women
State Bank Group	350796	290	132018	327461
Nationalised Banks	72809	540	22343	60118
RRB	50416	49	16133	42768
Private Sector Banks	34284	212	16550	18435
STATE TOTAL	508305	1091	187044	448782

As evident from the above **88.80 %** of the SHGs are exclusive women SHGs and **36.80%** are formed under various Government sponsored schemes.

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

1. Financing SHGs directly by banks

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

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

(Rs. in Crores)

Mode of Linkage	SHGs formed during the Year	No of SHG loans Disbursed During the Year		Outstanding Amount under SHG Finance		Beneficiaries Assisted
		A/c	Amt	A/c	Amt	
Financing SHGs directly by banks	30925	40274	948	97347	1493	1505532
Financing SHGs directly with the facilitation of NGOs	4993	6057	120	18044	216	205123
Financing SHGs through the medium of NGOs		432	64	2834	154	351163
Total No. of SHGs linked	35918	46763	1132	118225	1863	2061818

As could be seen from the above table, **46763** SHGs have been credit linked in the State during the fiscal 2013-14 under the SHG-Bank linkage programme. The total amount outstanding under all the three modes of financing put together is **Rs.1863 crores**.

3.5. Performance of other Institutions under SME financing (Outstanding) as at March 2014

(Rs.in Crores)

	Micro Enterprises				Small Enterprises				Total SME Priority				Medium Enterprises			
	Manufacturing		Services		Manufacturing		Services		Manufacturing		Services		Manufacturing		Services	
	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.
KSIDC	0	0	0	0	70	71	10	13	70	71	10	13	18	61	15	70
KFC	1014	349	903	314	99	52	29	36	1113	401	932	350	1	11	2	6
SIDBI	0	0	0	0	188	117	15	10	188	117	15	10	1	11	4	7
Total	1014	349	903	314	357	240	54	59	1371	589	957	373	20	83	21	83

Total SME Priority outstanding in these three financial institutions as at March 2014 works out to an amount of **Rs. 962 crores** in **2328 loan accounts**. Including medium enterprises financed (Non Priority) the total outstanding as at March 2014 is to the tune of **Rs. 1128 crores**.

3.6. Performance of other Institutions under SME financing (Disbursement) as at March 2014

(Rs.in Crores)

	Micro Enterprises				Small Enterprises				Total SME Priority				Medium Enterprises			
	Manufacturing		Services		Manufacturing		Services		Manufacturing		Services		Manufacturing		Services	
	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.
KSIDC	0	0	0	0	10	14	1	1	10	14	1	1	0	0	6	23
KFC	288	150	285	181	33	22	3	3	321	172	288	184	0	0	0	0
SIDBI	0	0	0	0	65	63	3	5	65	63	3	5	0	0	1	32
Total	288	150	285	181	108	99	7	9	396	249	292	190	0	0	7	55

Total SME Priority disbursement through these three financial institutions as at March 2014 works out to an amount of **Rs. 439 crores** in **688 loan accounts**. Including medium enterprises financed (Non Priority) the total outstanding as at March 2014 is to the tune of **Rs. 494 crores**.

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

Kerala ranks third among all the states in India under number of units of MSME covered under the guarantee scheme of CGTMSE. On a review of the performance, it is seen that during the last quarter of 2013-14, banks in Kerala sanctioned an amount of **Rs. 188.93crores** (6223 proposals) under CGTMSE coverage. Bank-wise analysis reveals that Canara Bank has sanctioned highest quantum of loans (**Rs. 61.52 crores**) followed by State Bank of Travancore (**Rs. 38.13 crores**) during the last quarter of 2013-14. District-wise analysis reveals that during the last quarter of 2013- 2014, Ernakulam District has sanctioned the highest quantum of loans (**Rs. 28.21 crores**) followed by Thrissur District (**Rs. 25.94 crores**). Trivandrum ranks first in the number of loan accounts covered (**992**) followed by Ernakulam (**752**). Bank-wise/District-wise details are shown as Annexures -7.40 & 7.41.

3.8. Performance under Government Sponsored Schemes

3.8.1. Swarna Jayanthi Shahari Rozgar Yojana (SJSRY) as at March 2014

(Refer Annexures 7.15 to 7.18)

The performance of the State under SJSRY up to March 2014 is summarised hereunder:

(Rs. in lakhs)

Sub component	No of Applications					Amount of Subsidy Released	Amount of Loan	
	Forwarded	Rejected	Sanctioned	Pending Sanction	Disbursed		Sanctioned	Disbursed
USEP	997	111	726	160	519	279.71	1022.13	809.11
UWSP	113	3	51	59	32	35.78	200.72	100.02
Total	1110	114	777	219	551	315.49	1222.85	909.13

The banks have sanctioned **726** loans to individual beneficiaries (for micro enterprises under USEP scheme) as at March 2014 involving loan amount of **Rs. 1022 lakhs**. Under UWSP (Urban Women Self-help Programme), **51** groups were sanctioned with loans to the tune of **Rs. 200.72 lakhs**.

Banking Group wise performance under SJSRY as at March 2014

(Rs. in lakhs)

Sl. No.	Bank	USEP		UWSP		Total SJSRY	
		Sanctions		Sanctions		Sanctions	
		No	Amount	No	Amount	No	Amount
1	Public Sector Banks	650	919.88	31	181.22	681	1101.10
2	Private Sector Banks	50	51.25	1	1.00	51	52.25
3	Others	26	51.00	19	18.50	45	69.50
	TOTAL	726	1022.13	51	200.72	777	1222.85

Analysis of the Bank wise performance reveals that Public Sector Banks (including RRB) accounted for **87.64 %** the loans sanctioned (Number) and **90 %** of loan amount sanctioned. There is a need for greater participation by Private Sector Banks in the implementation of the scheme. There is no involvement by some of the Private Sector banks in the implementation of the scheme which may be corrected by their respective Controlling offices. The details are available in the Annexures.

3.8.2. Performance under PMEGP as at March 2014

During the financial year 2013-14 the State had achieved the set targets under PMEGP scheme by a huge margin. Against the revised margin money target of **Rs.22.78** crores for all the three implementing agencies put together, the utilization during 2013-14 is **Rs. 46.41** crores and thus **203.73 %** of target achievement has been made in the implementation of PMEGP in the Kerala State by all the implementing agencies put together (KVIC, KVIB & DIC). The performance of the year 2013-14 is given in the **Annexure - 7.19.**

PMEGP - Target for Kerala State for 2014-15 is given in the **Annexure -7.20.**

3.9. Review of Performance under Special Focus Programmes

3.9.1. Swarozgar Credit Card Scheme (Refer Annexure 7.28)

The data submitted by the controlling offices reveals that Commercial banks in the State have sanctioned **4631** Swarozgar Credit Cards (SCCs) during the year 2013-14. The limit sanctioned was to the tune of **Rs. 23 crore**. Since inception of the scheme the banks have sanctioned **34197** cards in the State amounting to **Rs. 227.22 crores**. The amount outstanding as at March 2014 is **Rs. 65.66 crore** in **20287** cards. During the quarter, KGB leads the performance by sanctioning maximum number of cards followed by Federal Bank. The Bank wise data is furnished in the annexure.

3.9.2. Artisans Credit Card Scheme (Refer Annexure 7.28)

Commercial banks in the State have sanctioned only **160** Artisans Credit Cards (ACCs) during the year ended March 2014. The total limits sanctioned is to the tune of **Rs. 78 lakhs**. Since inception of the scheme, the banks have sanctioned **3563** cards in the State with a limit amounting to **Rs. 11.61 crore**. The amount outstanding as at March 2014 is **Rs.2.73 crore** in **624** cards.

Union Bank of India leads among the Commercial banks in the State by issuing the highest number of cards followed by Canara Bank and Central Bank of India. The Bank wise data is furnished in the annexure.

3.9.3. Laghu Udhyaami Credit Cards (Refer Annexure 7.28)

Commercial banks in the State have sanctioned only **450** Laghu Udhyaami Credit Cards (LUCC) during the year 2013-14 making available credit limits to the tune of **Rs. 20.07 crore** to small entrepreneurs of the State. Since inception of the scheme, the banks have sanctioned **17076** LUCCs in the State sanctioning credit limits amounting to **Rs. 86.55 crores**. The amount outstanding as at March 2014 is **Rs. 77.34 crores** in **2855** cards. Corporation Bank leads in the State by issuing highest number of LUC Cards followed Canara Bank, Vijaya Bank, Central Bank of India & SBT. The Bank wise data is furnished in the annexure.

3.9.4. Performance under General Credit Card Scheme (Refer Annexure 7.29)

During the year under review (2013- 2014), banks in the State have sanctioned **44018** GCCs with limits amounting to **Rs. 400.70 crores**. The outstanding under GCCs as at 31st March, 2014 is **129909** cards with a liability of **Rs. 653.22 crores**.

Canara Bank leads in issuance of GCC with **23337** GCCs issued during the quarter and with an amount of **Rs. 56.58 crores**. This is followed by KGB with **13079** cards, HDFC with **4097** cards, Indian Bank with **896** cards, Central Bank with **502** cards, Uco Bank with **472** Cards, Corporation Bank with **343** cards and Syndicate Bank with **268** cards. The Bank wise data is furnished in the annexure.

3.10. Advances to Weaker Section (Refer Annexure 7.9)

(Rs in. Crores)

Parameter	Outstanding				Variation		
	March 2011	March 2012	March 2013	March 2014	March '11- March '12	March '12- March '13	March '13- March '14
Weaker Section Advances	22435	28865	34911	41701	6430	6046	6790

Weaker Section advances grew by **Rs. 6790 crores** during the fiscal 2013-14 registering **19.45 %** growth.

3.11. Advances to SC/STs (Refer Annexure 7.9)

(Rs in. Crores)

Parameter	Outstanding				Variation		
	March 2011	March 2012	March 2013	March 2014	March' 11- March'12	March' 12- March'13	March' 13- March'14
SC Advances	3011	2957	3284	4664	-54	327	1380
ST Advances	553	606	729	1008	53	123	279
Total SC/ST Advances	3564	3563	4013	5672	-1	450	1659

From the above table, it is evident that the total SC/ST advances of the State had shown an increase of **Rs. 1659 crore** from March 2013. ST advances had shown an increase of **Rs. 279 crores** the SC advances had increased by **Rs. 1380 crores** from March 2013 level.

As evident from the table below, almost **91 %** of the SC advances of the State is contributed by Public Sector Banks (including RRB), while the share of Private Sector Banks is just about **9%**. In the case of ST advances **98.61 %** advances is contributed by Public Sector Banks (including RRB) while the share of Private Sector Banks is just about **1.39 %**.

Banking Group wise Performance under SC/ST advances as at March 2014

(Rs. in Crores)

Bank	SC Advances			ST Advances		
	Outstanding		% O/S to total	Outstanding		% O/S to total
	No.	Amount		No.	Amount	
State Bank Group	218687	3397	72.83	61729	808	80.16
Nationalised Banks	114022	1055	22.62	17440	167	16.57
RRB	31200	99	2.12	5586	19	1.88
Private Sector Banks	9478	113	2.43	1532	14	1.39
GRAND TOTAL	373387	4664	100	86287	1008	100

All banks, especially Private Sector Banks, should give more attention for rendering assistance to these most vulnerable sections of the society. A periodical review should be made by the Controlling Office of banks regarding the credit extended to SCs / STs on the basis of returns and other data received from the branches. This will improve the credit flow to SC/STs and would minimize the data inconsistency and reporting issues to SLBC/RBI.

Further nodal implementing agencies for the Central / State Government sponsored schemes are also requested to review the sub category wise credit flow to SC/STs and ensure that targets as specified in the RBI/Govt guidelines are invariably achieved.

3.12. DRI Advances (Refer Annexure 7.10)

(Rs in. Crores)

Parameter	Outstanding				Variation		
	March 2011	March 2012	March 2013	March 2014	March' 11- March' 12	March' 12- March' 13	March' 13- March' 14
DRI Advances	24.76	33.98	43.93	66.54	9.22	9.95	22.61

Against the national goal of 1% of the previous year's Gross Bank Credit, only **0.03 %** of the total credit could be given under the DRI scheme in the State by Commercial Bank as at March 2014.

The table below reveals that, Public Sector Banks account for bulk of the DRI advances (**90.16 %**) in the State whereas Private Sector Banks contribute only **9.84%** of the DRI advances of the State.

Banking Group Wise Performance under DRI advances As at March 2014 (Rs. in lakhs)

Bank	DRI Advances	
	O/S	% to total
State Bank Group	475	7.14
Nationalised Banks	5424	81.51
Private Sector Banks	655	9.84
RRB	100	1.51
GRAND TOTAL	6654	100

3.13. Credit Flow to Minority Communities (Refer Annexures 7.35)

As per RBI directions, credit flow to minorities in specified districts should be reviewed in all SLBC meetings. At present all the districts in the State of Kerala are notified for reporting under this head. The controlling offices of all the banks are requested to report their bank's share under Advances to minority communities covering all the 14 districts of the State. In Kerala State without giving due share to minorities, credit expansion is not at all possible. The comparative position with regard to the previous year is given below. The data reveal that there is significant increase in amount of loans granted to minorities in all these districts. It can be seen from the table given below that **59.35 %** of the total priority advances has gone to the minority communities as at March 2014.

Data on Minority Sector Advances in the State of Kerala

(Rs. in Crores)

Year	Total Priority Sector Advances	Minority Sector Advances	Percentage
31.03.2011	71145	41245	57.98
30.06.2011	70071	41054	58.59
30.09.2011	77403	39913	51.57
31.12.2011	78510	44811	57.08
31.03.2012	85606	46247	54.02
30.06.2012	87751	52877	60.26
30.09.2012	91253	48177	52.79
31.12.2012	92844	51466	55.43
31.03.2013	99318	55248	55.63
30.06.2013	99515	55874	56.15
30.09.2013	101468	61290	60.40
31.12.2013	105160	69998	66.56
31.03.2014	113555	67406	59.35

3.14. FRESH ISSUES

3.14.1. Rejuvenation, Modernization and Technology Upgradation (REMOT) of the Coir Industry (Suggested by Coir Board)

The Central Sector Scheme on Rejuvenation, Modernization and Technology Upgradation of the Coir Industry implemented by Coir Board during the XI Plan period has been continued during the year 2012-13 and 2013-14 with the approval of the Ministry of MSME, Government of India. The pattern of financial assistance under the Scheme is 40% of the project cost as Government of India grant/subsidy, 55% as term loan from banks, 5% as beneficiary contribution.

(1) Review of implementation of the Scheme during 2013-14

The target fixed for implementation of REMOT Scheme in the State of Kerala during the year 2013-14 was Rs.3.80 crores for assisting 250 units. Out of which Board released only an amount of Rs.77.52 lakhs to the banks as subsidy for assisting 195 units under REMOT Scheme as detailed below:

Name of Bank	Amount (Rs. in lakhs)	No. of units assisted		Total No. of units
		Spg.	Tiny	
Union Bank of India, Vaikom	9.18	23	0	23
Union Bank of India, Alappuzha	14.80	37	0	37
Union Bank of India, Cherthala	8.46	19	1	20
Union Bank of India, Karthikapally	8.80	20	1	21
Union Bank of India, Haripad	0.80	2	0	2
Canara Bank, Mullackal	4.16	12	0	12
Bank of Baroda, Haripad	2.00	5	0	5
SBT, Thaikkattusserry	3.60	10	0	10
SBT, Vechoor	6.54	17	0	17
SBT, Kandaloor	2.00	5	0	5
SBT, Danapady	17.18	43	0	43
Total	77.52	193	2	195

From the above it can be seen that in the State of Kerala Board was able to achieve only 20% of the financial target fixed for the year 2013-14. The non-achievement of the target is not because of unavailability of REMOT applications but was mainly due to non-consideration of REMOT applications by the Banks. Applications as detailed below are still pending with different banks:

Sl. No.	Name of Bank	No. of applications pending	
		Spinning	Tiny
1	Canara Bank	369	105
2	Indian Overseas Bank	21	8
3	State Bank of India	62	64
4	State Bank of Travancore	102	4
5	Central Bank of India	16	0
6	Bank of Baroda	103	221
7	Union Bank of India	111	51
	Total	784	453

Views of the Steering Committee

The Steering Committee requested Coir Board to furnish the branch wise pendency details to SLBC Cell to enable taking up the matter with controlling offices of banks. Banks were also advised to clear the pending loan applications by following up with the branches.

(2) Reconciliation statement of the funds released in Kerala during XI Plan Period

State Bank of Travancore, Cherthala Branch has not yet furnished the reconciliation statement of the funds released during XI Plan period. The Ministry is repeatedly reminding the Board to furnish the reconciliation of the funds released to the banks during XI plan period.

The Committee may kindly give necessary directions to SBT for furnishing the reconciliation statements without any more delay.

Views of the Steering Committee

The Steering Committee requested SBT to furnish the reconciliation statement to Coir Board before the SLRM meeting and confirm the same in the meeting.

(3) Action Plan for 2014-15

The target fixed by the Ministry of MSME, Government of India for implementation of REMOT Scheme during the year 2014-15 is Rs.16.00 crores for assisting 688 units. The target fixed for Kerala is as follows:

	Number of units	SC Target (unit)	ST Target (unit)
Kerala	220	26	17

The modified scheme is under consideration of the Ministry. In which the ceiling limit is proposed to enhance upto Rs.10.00 lakhs with working capital provision as compound loan which will benefit all. New entrepreneurs will have many options to go for 100% mechanization and manufacture diversified products.

The Banks may be requested to co-operate and speed up the process of giving assistance under REMOT Scheme in order to utilize the fund earmarked for the year 2014-15.

Views of the Steering Committee

The Steering Committee decided to place the matter in SLRM for information of banks.

3.14.2. Progress report of “Comprehensive Package for the Handloom Sector” Weavers Credit Card (WCC) Scheme (Suggested by NABARD)

NABARD vide letter No. NB (Kerala). DOR - PCD/ 8652/ G- 10 €-RRR/ 2013-14 dated 11 February 2014 and NB. PCD (weavers)/ 833- A7(P0/ 2012-13 dated 26 September 2012 addressed to Chairman/ MD of Banks has advised SLBC, Convenors in each state to consolidate the information on WCC issued by the banks in their respective states for onward transmission of Ministry of Textiles, Government of India on a monthly basis through NABARD.

NABARD has not received the information so far. Keeping in view the thrust given by the GoI to the scheme, NABARD advised all the banks to submit monthly report on Progress of WCC scheme, as per the proforma given below, by 15th of succeeding month for onward transmission to Ministry of Textiles, Government of India.

Name of the State: Kerala

Month: _____ (to be submitted by 15th of next month to which it relates)

Annual Target for WCC

Sl. No.	Name of the Bank	No. of Applications received in credit Camps (\$)	No. of Applications received by banks for financing	No. WCC issued by the end of the month	Amount of CCL sanctioned by the end of the month	No. of active WCC by the end of the month (\$\$)	Amount disbursed by the end of the month	Amount of Margin money sanctioned by the end of the month #	Amount of Interest subsidy received from Gol through NABARD by the end of the month

Advance on margin money released by NABARD

(\$) consolidated information to be sourced from Directorate of Handloom & Textiles

(\$\$) Active WCC implies where disbursements have been made by banks.

Views of the Steering Committee

The Steering Committee observed that during the last SLBC meeting, Director of Handloom & Textiles was advised to convene a meeting with banks for reconciliation of WCC data and to sort out other issues involved in the implementation of the scheme. This meeting is yet to be convened. It was requested that after reconciliation of data, especially pending status, Directorate of Handloom & Textiles may submit the monthly progress report as per the above format to SLBC and NABARD to enable close monitoring of the implementation of the scheme.

*Performance of Banks under Weavers Credit Card as at 31.03.2014 compiled by Directorate of Handloom & Textiles is given in **Annexure-7.59**.*

The Steering Committee decided to place the matter in SLRM.

3.14.3.Credit Linked Capital Subsidy Scheme (CLCSS) - Updating PLIs on instructions issued by the O/o DC (MSME) (Suggested by NABARD)

- (i) Ministry of MSME, GoI, is operating a scheme for technology upgradation of Micro and Small Enterprises by providing 15% capital subsidy on institutional finance availed by them for induction of well-established and improved technology in approved sectors/products. NABARD is one of the nodal agencies, along with SIDBI and nine other banks/institutions, for implementing this scheme. Details on the revised guidelines of the scheme are available at <http://www.dcsmse.gov.in/schemes/sccredit.htm>”.

- (ii) The applications received by the Regional Offices of NABARD are forwarded to our Head Office for further scrutiny and submission to the O/o MSME. As per the guidelines issued by the Development Commissioner (MSME), Ministry of MSME, GoI, vide Office Memorandum No.22/CLTUC/RF-1/SIDBI/11-12 dated 07.09.2013 (copy already circulated by SLBC cell by e mail), eligible claims with reference date of each quarter should be submitted to O/o DC(MSME), New Delhi by the end of the subsequent quarter. The office of MSME is scrupulously following the cut off dates and is not entertaining the claims received by them beyond the due date. Ministry of MSME has also introduced “Online Application and Tracking System” for submission of application of subsidy under CLCSS w.e.f 01.10.2013.
- (iii) Online submission of application is done by NABARD Regional Office, Thiruvananthapuram. The format for online submission of application under the scheme is enclosed to enable capturing of all the information required as per the format for online submission of the claim/s by NABARD.
- (iv) The following guidelines/instructions issued by O/o DC(MSME), Ministry of MSME, GoI, from time to time is also circulated by SLBC cell by e mail for ready reference of banks:
- DC (MSME) Letter Ref No.1(8)/CLCSS/Sub-Sector/2012 dated 06.02.2014 issuing 'Sixth Supplement on Revised Guidelines on CLCSS to be implemented w.e.f 05.02.2014'.
 - DC (MSME) Letter Ref No.22/CLTUC/Scheme/06/Vol.III dated 25.03.2014 regarding 'Acceptance of online claims for subsidy under CLCSS by Nodal Banks for the year 2014-15'.
 - DC(MSME) Letter Ref No.1(11)/CLCSS/NBA12-13 dated 31.03.14 regarding 'Discrepancies in claims lodged through online application and tracking system by Nodal Banks as on 31.12.13 for CLCSS'.
 - Summary of instructions issued by the O/o DC(MSME), Ministry of MSME, GoI vide Letter Ref No.1(11)/CLCSS/NBA12-13 dated 07.04.14.
- (v) Primary Lending Institutions (PLIs) are, therefore, requested to strictly adhere to the instructions issued by the O/o the DC(MSME), Ministry of Micro, Small & Medium Enterprises, GoI, on the captioned scheme.

Views of the Steering Committee

The Steering Committee noted the above and decided to place the matter in SLRM for information of banks.

3.15. PENDING ISSUES IN SLBC & ACTION TAKEN REPORT

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
3.15.1	<p>Proposal to introduce penalty for delayed payment of premium for coverage under CGTMSE - Pending since March 2011</p>	<p><i>As per the existing Rule of CGTMSE, the borrowers or applicants have to pay premium amount on policies taken by them within a specified time and the policies will be cancelled by the lending institutions on delayed payments. It was suggested that instead of cancelling the policy it would be advisable to charge penalty for delayed payments of premium and keep the policy in force.</i></p>	<p><i>SLBC/ CGTMSE, Mumbai.</i></p>	<p>SLBC Kerala has been regularly pursuing the matter with MSME Development Centre at Mumbai since the induction of the agenda and their response is awaited.</p> <p>The 109th meeting and annual SLRM 2013 of SLBC, Kerala decided to pursue the matter with CGTMSE, Mumbai.</p> <p>SLBC Cell, vide letter SLBC 38 192 2013 KRA dated 24.07.2013, had taken up the matter with MSME Development Centre, Mumbai.</p> <p>The matter came up for discussion in the 110th Meeting of SLBC, Kerala held on 13th September, 2013. The forum decided to pursue the matter with CGTMSE, Mumbai.</p> <p>The 111th Meeting of SLBC, Kerala held on 23.12.2013 decided to pursue the matter with CGTMSE, Mumbai & IBA. However, it was advised that Banks have to ensure payment of premium before 31st May every year.</p> <p>The 112th Meeting of SLBC, Kerala held on 21.03.2014 decided to pursue the matter with CGTMSE, Mumbai.</p> <p><i>SLBC cell had again taken up the matter with CGTMSE Mumbai and the reply is awaited.</i></p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
3.15.2	<p>PMRY 2006–07 & 2007–08 - Non receipt of Subsidy - Pending since August 2009</p>	<p><i>Subsidy on PMRY loans granted during 2006-07 and 2007-08 are yet to be released to various banks in few accounts. Such borrowers are forced to pay interest on the subsidy portion also till it is received by Banks. Also subsidy portion remaining unpaid are becoming NPA. Due to this customers are penalized as their names would be appearing in the CIBIL defaulters list.</i></p>	<p><i>Reserve Bank of India / Controlling Offices of Banks</i></p>	<p>RBI had vide letter RPCD (T) No.LBS/391/03.02.002/2012-13 dated 07.11.2012 informed that the claims submitted by the 24 implementing banks have been forwarded by RBI, Central Office to KVIC for reimbursement.</p> <p>Further, it is clarified that banks are permitted not to classify PMRY accounts, where the borrowers have repaid their portion of loan in full (only Government subsidy is outstanding), as NPA unless the Government repudiates the claims of banks for release of subsidy. However, PMRY accounts where the borrowers have not paid their portion of loan, classification should be governed by extant classification norms prescribed in the Master Circular - Prudential Norms on Income Recognition, Asset Classification and Provisioning Norms pertaining to Advances.</p> <p>The 109th meeting & annual SLRM 2013 meeting of SLBC, Kerala decided to pursue the matter with Reserve Bank of India till logical conclusion.</p> <p>RBI Central Office vide letter dated May, 22, 2013 had requested all implementing banks to furnish, certificate issued by Statutory Auditors in the format enclosed with their letter to enable RBI to forward the same to KVIC for early release of the captioned subsidy.</p> <p>The forum noted this and requested Banks to furnish certificate as directed above by RBI.</p> <p><i>SLBC Cell, vide letter SLBC 38 194 2013 KRA dated 24.07.2013, had advised the Controlling Offices of all Banks in these lines.</i></p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p>The 110th meeting of SLBC Kerala held at Trivandrum on 13.09.2013 decided to pursue the matter with RBI.</p> <p>In the 111th Meeting of SLBC, Kerala held on 23.12.2013, Deputy General Manager, RBI informed that RBI Central Office is handling the issue and is coordinating with KVIC and trying to get subsidy for onward transmission to the banks concerned.</p> <p>The forum decided to pursue the matter with RBI.</p> <p>The Sub-Committee of SLBC, Kerala that met on 06.03.2014 decided to pursue the matter with RBI.</p> <p>The 112th Meeting of SLBC, Kerala held on 21.03.2014 decided to pursue the matter with Reserve Bank of India.</p> <p>RBI may inform the present position.</p>
3.15.3	<p>Non Coverage of Micro and Small Enterprise loans sanctioned by Kerala Gramin Bank (KGB) under CGTMSE</p>	<p><i>Kerala Gramin Bank being a RRB, has to mandatorily extend collateral-free loans to M&SE units up to RBI/Govt. of India specified limits and such accounts are to be compulsorily covered under CGTMSE guarantee.</i></p> <p><i>Currently CGTMSE is neither approving the loan accounts uploaded for guarantee coverage nor granting Member Lending Status (MLI) to KGB</i></p>	<p><i>CGTMSE and Finance Ministry</i></p>	<p>The matter came up for discussion in the 111th Meeting of SLBC, Kerala held on 23.12.2013 and decided to take up the matter with CGTMSE and Finance Ministry.</p> <p><i>The Sub-Committee of SLBC, Kerala that met on 06.03.2014 decided to pursue the matter with CGTMSE & Finance Ministry.</i></p> <p>The 112th Meeting of SLBC, Kerala held on 21.03.2014 decided to pursue the matter with CGTMSE & Finance Ministry.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
		<p><i>which is an RRB formed by amalgamating the two Regional Rural Banks (RRBs) in Kerala State viz., South Malabar Gramin Bank (SMGB) and North Malabar Gramin Bank (NMGB). This is putting the bank and the interest of the entrepreneurs in jeopardy.</i></p> <p><i>In view of the foregoing KGB is compelled to stipulate collateral security for loans to MSEs including those under the PMEGP, a flagship programme of the Govt. of India which has resulted in discomfort for M&SE customers.</i></p>		<p><i>SLBC cell had taken up the matter with CGTMSE Mumbai and the reply is awaited.</i></p>
3.15.4	Issues involved in the implementation of PMEGP Scheme	<p><i>Few of the Panchayats are issuing licenses only after installation of machinery and banks insists for Panchayat licenses/NOC before disbursement of loans. Citing this reason many PMEGP applications are getting returned.</i></p> <p><i>A common direction is necessary for minimizing beneficiary grievances in this front.</i></p>	<p><i>Local Self Government Department</i></p>	<p><i>The matter came up for deliberation in the 112th Meeting of SLBC, Kerala held on 21.03.2014.</i></p> <p><i>It was decided to take up the matter with Local Self Government Department.</i></p>

3.16. INFORMATION NOTE

3.16.1. Information Note by MSME Development Institute, Thrissur

The Institute is suggesting following recent initiative pertaining to the MSME sector as information note in the SLBC.

“Institutional Trading Platform (ITP) in a SME Exchange without making an Initial Public Offer (IPO) for Small & Medium Enterprises” is an initiative by SEBI through circular No. CIR/MRD/DSA/33/2013 dated 24th October, 2013. The copy of the communication is already circulated by SLBC Cell to all banks and the same is again furnished in **Annexure-7.66** as information note.

Views of the Steering Committee

The Steering Committee decided to place the matter in SLRM for information of banks.

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4. ISSUES FOR GROUP DISCUSSION ON TERTIARY SECTOR (GROUP III)

4.1. Performance under Tertiary Sector of ACP

(Rs. in Crores)

Parameter	2012-13	2013-14
Target	32352	38600
Achievement	35497	38962
Percentage of achievement	110	100.94

4.2. Review of Disbursements to Tertiary Sector under ACP

Banking sector of the State had achieved the target set under tertiary sector in ACP 2013-14. Banks in the State have disbursed loans to the tune of **Rs. 38962 crores** during the year against the target of **Rs. 38600 crores**, thereby achieving **100.94 %** of the target fixed. The sector accounted for 43.41 % of the total disbursement to priority sector in the State. The disbursement to the tertiary sector during 2012-13 was **Rs. 35497 crores**. There is an increase of **Rs. 3465 crores** under this sector, accounting growth rate of 9.76 %.

Banking Group-wise Performance under Tertiary Sector of ACP 2013-14

(Rs. in Crores)

Bank	Tertiary Sector			
	Target	Achievement	% Achievement	% Share in Disbursement
State Bank Group	7037	8114	115.31	20.83
Nationalised Banks	7391	5449	73.72	13.99
Private Sector Banks	6256	4426	70.75	11.36
RRB	2224	1765	79.35	4.52
Co-operatives	15579	19093	122.55	49.01
KFC	113	115	101.94	0.29
State Total	38600	38962	100.94	100

Under quantum of loans disbursed during the current fiscal, Cooperatives led other banking groups by disbursing **Rs. 19093 crores** followed by State Bank Group (**Rs.8114 crores**), Nationalised Banks (**Rs. 5449 crores**) and Private Sector Banks (**Rs. 4426 crores**). Under of percentage achievement of target, Co-operative Sector registered **122.55 %** followed by State Bank Group (**115.31 %**), RRB (**79.35 %**), Nationalised Banks (**73.72 %**) and Private Sector Banks (**70.75 %**).

Among Commercial Banks, SBT leads in disbursements made to this sector (**Rs. 5498 crores**) followed by the State Bank of India (**Rs. 2549 crores**), Kerala Gramin Bank (**Rs.1765 crores**) and Canara Bank (**Rs. 1387 crores**).

District wise analysis reveals that Ernakulam district has achieved **148.85 %** of the projected target and was top amongst the districts. This was followed by Malappuram (**112.74 %**), Idukki (**108.17%**), Kannur (**106.97 %**) and Thrissur (**106.21%**). The performances of other districts were below the targeted level and state average and need improvement.

The Group may review the performance of the banks in lending to Tertiary Sector, deliberate on the items in the agenda and make suitable recommendations/suggestions.

4.3. District-wise Credit Deposit Ratio in the State - Review

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

District-wise C D Ratio in the State as on 31.03.2014

(Rs. in lakhs)

Sl. No.	District	Deposits	Advances	CD Ratio (%)
1	Trivandrum	5046449	3324331	65.87
2	Kollam	1865062	1185594	63.57
3	Pathanamthitta	2596454	1042227	40.14
4	Alappuzha	1851928	1087325	58.71
5	Kottayam	2287996	1439244	62.90
6	Idukki	463000	623890	134.75
7	Ernakulam	6061291	5277730	87.07
8	Thrissur	4189363	2829084	67.53
9	Palakkad	1840328	1463201	79.51
10	Malappuram	1696343	1180230	69.57
11	Kozhikode	2082695	1671423	80.25
12	Wayanad	307132	348106	113.34
13	Kannur	1769568	1083845	61.25
14	Kasaragod	805124	734482	91.23
Total for State		32862733	23290712	70.87

In Kerala, barring Pathnamthitta & Alappuzha the CD ratio of all other 12 districts are above the benchmark level of **60%**. Pathanamthitta is the only district having poor CD Ratio which is constantly under monitoring. As a result, the CD ratio of the district has slightly improved and touched a level of **40.14 %** mark as at March 2014. LDM, Pathanamthitta should monitor the progress closely and review the same in DCC/DLRC meetings so as to improve from the current levels in an ongoing basis. (The above CD ratio is compiled from the banking Statistics furnished by the LDMs of respective Districts which includes the business figures of District Co-operative Banks and PACS & hence shows a higher CD ratio of **70.87 %** for the State.)

The Group may note the position and suggest measures for improving the CD Ratio.

4.4. Review of Progress under Reverse Mortgage Loan Scheme of National Housing Bank

On a review of the performance, as at the last quarter of 2013-14, banks in Kerala had sanctioned an amount of **Rs. 94.43 lakhs** (4 accounts) and the balance outstanding is **Rs. 53 crores** (469 accounts). The review of performance under the reverse mortgage loan scheme has become a regular agenda item of SLBC, Kerala at the behest of National Housing Bank. Details are shown in **Annexure - 7.30**.

4.5. FRESH ISSUES

4.5.1. Installation of Cash Deposit Machines by banks to facilitate Government Business (Suggested by Finance (Planning A) Department, Government of Kerala)

Government offices that receive substantial amounts of payments do not have a regular system for remittance. It would be very useful if banks can set up ATMs with cash receiving facility in locations where a number of Government offices are situated such as Civil Stations, Revenue Towers etc. At present there are only a few number of such ATMs, which can accept cash receipts. Also, a mechanism should be evolved to transfer the funds received in Government account within 24 hours. The ATM software will also need to include details of the relevant heads of account for facilitating the process.

Views of the Steering Committee

The steering committee noted that banks on their own would be increasing the network of ATMs with cash acceptance facility if the same is profitable in that centre. Banks which are already having ATMs in Govt office complexes may think of introducing the cash deposit facility also to facilitate immediate remittance by Govt Departments to their bank accounts.

4.5.2. Kudumbashree Bank Linkage Campaign 2014-2015 (Suggested by Kudumbashree)

As of 31st March 2013, only 35% of the Neighbourhood Groups (NHGs) in the Kudumbashree network were linked with banks for meeting their credit needs. This was found to be grossly inadequate and a campaign for increasing bank linkage of Kudumbashree NHGs was launched in the financial Year 2013-14. The campaign involved selecting banking resource persons from among retired banking personnel, sensitization training for bank managers and leaders of the community network etc. Results of the campaign as on 31st March 2014 are:

- NHGs newly linked with banks during Financial Year 2013-2014 – **35,417**
- Bank credit availed during Financial Year 2013-2014 – **Rs. 665.57 Crore**

NHG bank linkage has been a weak area for Kudumbashree and efforts are being made to improve this. The linkage campaign taken up during 2013-14 has provided excellent directions for the activities. The pool of banking resource persons established and the training of bank managers during the current year will help in taking the activities forward. The bank linkage campaign covering the entire network will be taken up in the financial year 2014-15 also, targeting 1.14 lakh NHG with a credit of Rs. 1500 crore.

The district wise and bank wise target for Bank linkage campaign in the financial year 2014-15 is given in **Annexures-7.53 & 7.54.**

In this regard we request you to kindly give necessary direction to all the controlling officers of the various bank and bank branches regarding Kudumbashree bank linkage campaign and also we request the support and cooperation from all bank branch managers for the success of the bank linkage campaign.

Views of the Steering Committee

In the Steering Committee meeting, the representative from Kudumbashree informed that last year Kudumbashree had received lot of support from banks for credit linkage campaign. He requested that SLBC may direct Controlling Offices of all banks in the State for providing adequate support for the Kudumbashree Bank linkage campaign 2014-15 also. Bank branch-wise target would be provided to SLBC cell to enable onward circulation to controlling offices of Banks.

The Steering Committee decided to place the matter in SLRM for information.

4.5.3. Sanctioning of Kudumbashree loans only by the recommendation of Kudumbashree CDS (Suggested by Kudumbashree)

It has been observed that some banks are sanctioning Kudumbashree linkage loan, JLG loan & ME loans without the recommendation of Kudumbashree CDS (Community Development Society (CDS) - a registered body under the Travancore-Cochin Literacy Scientific and Charitable Societies Act formed by federating all ADSs in the Panchayat/Municipality). We are facing difficulties to monitor these loans and we can't consider these loans as Kudumbashree loans. We would like to request banks to give Kudumbashree loans only to those NHGs/Activity Groups (ME Groups)/JLGs recommended by Kudumbashree CDS, otherwise we can't ensure 100% repayment of Kudumbashree loans.

Views of the Steering Committee

In the Steering Committee meeting, the representative from Kudumbashree requested banks to sanction loans to Kudumbashree NHGs/JLGs/activity groups only with the recommendation of Kudumbashree CDS so as to ensure 100% repayment.

The Steering Committee decided to place the matter in SLRM for information of banks.

4.5.4. NRLM Interest Subvention support for Kudumbashree NHGs Bank linkage Loan (Suggested by Kudumbashree)

Ministry of Rural Development has finalized the guidelines for Interest Subvention to the women SHGs in consultation with Ministry of finance, Department of Financial Services. The guidelines will be issued by RBI for the Public Sector banks and by NABARD for the RRBs and the Cooperative banks. As you aware, Interest Subvention scheme will be operationalized in two categories. Category I comprises of 150 districts (Palakkad and Malappuram districts in Kerala), for which a nodal bank will be selected by Ministry of Rural Development to operationalize this scheme. Category II of Interest Subvention Scheme which comprises districts other than 150 districts (other 12 districts in Kerala), will be implemented by the State Rural Livelihood Missions (Kudumbashree Mission in Kerala). The guideline issued by RBI was discussed in the SLBC meeting held on 21st March 2014.

Views of the Steering Committee

The Steering Committee noted that detailed guidelines on implementation of the scheme were placed in the 112th (last) SLBC meeting. It was decided to place the matter in SLRM for information.

*The District wise/Bank wise performance under NRLM as at 31.03.2014 is given in **Annexures 7.55 & 7.56.***

4.5.5. To ensure the participation of Bank Managers in trainings given by Kudumbashree (Suggested by Kudumbashree)

In 2013-14, orientation of bank managers was a crucial activity for improving the bank linkage performance of the Kudumbashree network. It is very evident now that unless the bankers are oriented properly and exposed to the work done as in successful States such as Andhra Pradesh, Kerala will not be able to achieve substantial results in improving bank linkage of the NHGs. This has been included as a key activity 2014-15 also. Purpose of this training was to conscientise bank managers about Kudumbashree schemes, as this will facilitate Kudumbashree related banking works. But it has been observed that in 2013-14 some branch managers did not attend the training. So we would like to request the banks to give direction to its branch managers to attend the training. The training dates and venues will be intimated by the concerned district mission coordinators in the DLRC/BLBC meetings.

Views of the Steering Committee

The Steering Committee advised Kudumbashree to inform the schedule of training in advance to LDMS so as to enable LDMS to request Controlling Offices of Banks to depute suitable branch managers for the training. Further controlling offices to co-ordinate with LDMS and ensure participation of the branch managers in the training. The committee decided to place the matter in SLRM for information and compliance.

4.5.6. Bank officials exposure visit to SERP – Andhra Pradesh (Suggested by Kudumbashree)

As part of NRLM, Kudumbashree is organizing the immersion visit of bank officials to SERP in the current financial year (2014-15) also to study the dynamics of credit mobilization for SHGs in Andhra Pradesh in detail. In this regard, we will be grateful to you if you could kindly send a list of bankers occupying key positions in different banks and who are able to influence decisions regarding credit mobilization for neighborhood groups of Kudumbashree. The visit will be organized in the month of May – June 2014 and the exact date of travel will be informed to you later. Kudumbashree will meet all the expenses for the immersion visit.

Views of the Steering Committee

The Steering Committee requested Controlling Offices of Banks to provide the list of bank officials identified by each bank to SLBC Cell for the exposure visit to SERP, Andhra Pradesh. The representative of Kudumbashree informed that visit is likely to take place during August 2014. The committee decided to place the matter in SLRM for information of banks.

4.5.7. JLG bank linkage - Interest rate issues (Suggested by Kudumbashree)

In order to avail interest subvention of Kudumbashree Mission (State Plan) for agriculture loans each of the JLGs is mandated to take loan at an interest rate up to 9% but currently most of the banks are charging or reporting a higher percentage in their pass book creating problems for JLGs.

Views of the Steering Committee

The Steering Committee noted that short term crop production loans for collective farming (JLG) are to be granted by banks @ 9% and the same also qualifies for Govt of India interest subvention. Hence banks' to look into the matter and ensure that rate of interest charged is as per Govt of India guidelines.

4.5.8. Setting up of Business Archives (Suggested by Director of State Archives)

Archives, across the globe carries the imprints of the past. The records housed in Archives tell us about the growth and evolution of the society and the various transitions it has undergone with the passage of time.

The record created by different record creating agencies are housed in the various state Archives under the State Governments and the National Archives of India. The records created in the various Government Offices as part of the day to day administration, after archival scrutiny are transferred to these Archives and are arranged in the repositories after proper scientific conservation techniques.

Banking sector has become an integral part of man's existence with the advancement of trade and commerce. The banks in India as part of the day to day work create a lot of records which definitely carry the imprint of our social progress. These records need to be properly maintained so as to make an objective study of our society and its social interactions. But only the RBI and SBI have made attempts to set up Archives and Museums of their own. It is high time that all the Banks in India come forward with definite programmes to set up Archives so that their transactions in society are recorded. The different policies and programmes implemented by banks at various points of time need to be recorded for the future generations. Without proper understanding of the evolution of banking, the progress of our society cannot properly be recorded. We will be groping in darkness to understand our past without proper documentation of the banking activities in our country. The concept of Business Archives has emerged in this context and we hope the banking community will come forward to taking this challenge in its state level meet.

The business archives set up in banks can be under the technical control of the Director of Archives. A qualified Archivist from the State Archives Department may be placed in charge of the records. Other technical officers will also be appointed on deputation basis for the management and preservation of records in the respective Archives. The administrative control of these Archives shall be vested with the respective banks. The salary and emoluments of the officers shall be met by the banks.

In the above circumstance it is requested to include the proposal for the setting up of Business Archives in the nationalized banks with the technical control of the State Archives Department before the proposed SLBC.

Views of the Steering Committee

The Steering Committee noted that the implementation of the above suggestion falls outside the purview of SLBC and hence it was suggested to take up the matter with IBA. The matter is placed in SLRM for the views of members and final decision.

4.5.9. Insisting PAN number in Government transactions (Suggested by Directorate of Animal Husbandry)

Many of the banks are insisting PAN number for transactions in Government accounts which are above Rs.50,000/-. Since the departments do not have such facility/PAN number, difficulty is felt with regard to smooth transactions of funds including implementation of various schemes.

Hence it is requested that such terms/conditions may be exempted for Government departments.

Views of the Steering Committee

The Steering Committee advised SLBC Cell to take a clarification on the matter from IT Commissioner, and circulate the matter to the Controlling Offices of all banks.

4.5.10. Request to charge interest at base rate for loans sanctioned under KSEDM scheme of Government of Kerala (Suggested by State Level Apex Committee of KSEDM)

In the third meeting of the State Level Apex Committee of KSEDM scheme held at Trivandrum on 10.03.2014, it was noted that many banks lending under the scheme are charging interest above the base rate contrary to the request made by State Government/SLBC. This has ultimately resulted in increased cost to the State Government as the entire interest under the scheme is borne by Government of Kerala. The Committee requested banks to reduce the rate of interest charged since inception to base rate. It was requested to place the matter in the regular SLBC meeting for consideration by banks.

Views of the Steering Committee

The Steering Committee noted that though the above matter was pursued by SLBC with Banks, only 3 banks have agreed to comply with the request. It was decided that Controlling Offices of banks may once again look into the same and explore the possibilities of granting loans at base rate to KSEDM beneficiaries.

4.5.11. Increase in NPAs under Government Sponsored Schemes - Strengthening of recovery mechanism (Suggested by State Bank of Travancore)

SBT while reviewing their major products under NPAs, has requested SLBC to seek the co-operation of Government agencies for recovering NPAs under the following Government Sponsored Schemes.

Sl. No.	Product / Scheme	NPA % as on 31.03.2014	Number of Accounts
1	PMRY	73.92 %	2144
2	SJSRY	56.45%	1455

Views of the Steering Committee

Representative from Directorate of Industries & Commerce informed that they are already having a recovery support mechanism for helping banks at district level and instructions would be issued to all Taluk Industrial offices reiterating the existing guidelines. He requested banks to send a letter to the concerned Taluk/Block Industrial Offices along with list of NPAs under Govt sponsored schemes to plan joint recovery visits.

The Steering Committee meeting suggested that for all Government Sponsored Schemes, a robust recovery mechanism shall be created jointly by both Government (the nodal department/agency implementing the scheme) and banks. Periodical joint recovery visits/ drives shall be undertaken by the effective co-ordination of LDMs, Banks and Implementing Department/nodal agency. This has to be discussed in the group discussion session of SLRM and operational modalities shall be finalised.

4.5.12. Bhavanashree - Left Over Claims (Suggested by LDM, Kannur)

Even though repeated assurances were given by Kudumbasree Mission in the SLBC, the amount of left over claims are not yet passed on to the Banks which had financed Bhavanasree Housing loans.

Many banks had already taken up this matter both with SLBC Cell and Kudumbashree, but the issue is yet to be resolved. This had resulted in Agitations in many bank branches of commercial banks. Citing the declaration made by Hon'ble Chief Minister and Hon'ble Finance Minister in the Kudumbashree anniversary function, the beneficiaries are demanding for the release of their Title deeds. These loan accounts had already become NPA.

Hence it is requested that all the pending claims may be honoured by the State Government and relevant Govt orders shall be issued to this effect.

Views of the Steering Committee

In the Steering Committee meeting, the representative from Kudumbashree informed that the matter was already taken up by them with the State Government for consideration and Government Order is yet to be issued in this regard.

Sri. M. Girees Kumar, IAS, Officer on Special Duty, Finance (Resources) informed that a fresh look would be given to this request.

The Committee requested Kudumbashree to furnish a consolidated proposal to Finance Department, Government of Kerala and follow up the matter for early resolution.

4.5.13. Proposed Debt Swap Scheme & Other recommendations of SLBC Subcommittee

As per the decision of Special SLBC Meeting held on 22.05.2014 at Trivandrum, to discuss measure to control illegal money lending operation and connected malpractices, a Sub-Committee of SLBC was constituted with major banks, RBI, NABARD and Government representative for evolving a Debt Swap scheme and to come out with other recommendations for providing easy credit to the common public. The Sub-Committee met on 28.05.2014 at Canara Bank, Circle Office, Trivandrum.

The committee evolved a draft scheme called **“Rinn Mukthi”- a scheme for redemption of debts of distressed individuals from non institutional sources.** Also as suggested by the subcommittee, a Common application form was evolved by SLBC Cell.

In addition to the scheme, the committee suggested the following for the consideration of banks with a view to improve the credit flow so as to provide easy credit to the common public:

- *Banks to popularize Instant Overdraft (IOD) facility in the Basic savings bank Account (BSBDA) in a big way. During the second quarter of this financial year, each bank branch shall sanction minimum ten IOD facility and help the poor for meeting immediate credit needs such as expenses to meet School/ college opening, small family ceremonies etc.*
- *Banks to grant loans under DRI scheme to deserving beneficiaries, as this is a scheme meant for the downtrodden in the society.*
- *CGTMSE scheme for Micro and Small enterprises to be promoted by banks in tune with RBI guidelines.*
- *Kudumbashree would handhold with RBI, Banks and Financial Literacy Centres (FLCs) in the State for promoting financial literacy and creating awareness among common public regarding the ill effects of borrowing from the Private Money lenders. Kudumbashree CDS/ADS shall co-ordinate with FLC counselors in each block for this cause by conducting meetings/awareness camps.*
- *Once the debt swap scheme is approved by SLBC, Kudumbashree will popularize the same by informing all its members through NHG meetings. Through NHG members all families of Kudumbashree members can be reached.*
- *The Debt swap scheme after incorporating the suggestions of the steering committee of SLBC would be circulated to all banks and banks shall take up the scheme for the perusal of their Head Office/Board and come out with final suggestions if any in the SLBC meeting scheduled during June.*
- *The scheme would be placed in the next SLBC for approval, adoption and implementation.*

Views of the Steering Committee

The Steering committee of SLRM approved the debt swap scheme “**Rinn Mukthi**”, the details of which is given in **Annexure-7.61**. The Common application form approved by the Steering Committee is furnished in **Annexure-7.60**.

The steering committee advised SLBC cell to circulate the draft scheme and common application to the controlling offices of all banks to enable them to take up with their corporate office for any more suggestions/ approval.

The scheme is placed in the SLRM for final approval and adoption for implementation.

4.6. PENDING ISSUES IN SLBC & ACTION TAKEN REPORT

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
4.6.1	Land Allotment for construction of RSETI Buildings - Pending since July 2012	(i) <i>Land allotment for construction of RSETI buildings is pending in 3 districts viz. Kollam, Kozhikode & Palakkad</i> (ii) <i>Allocation of alternate land for construction of building for RSETI, Idukki.</i>	Commissionerate of Rural Development	<p>The matter is pending since 108th Meeting of SLBC, Kerala held on 03.01.2013 and is under the persistent follow up of the forum.</p> <p>The forum has been requesting the Department to speed up the process as the Ministry of Rural Development Dept. had allocated a sum of Rs. 1 crore for setting up of RSETI in every district and the work for construction of the building is to be initiated at the earliest.</p> <p>In the Sub-Committee meeting of SLBC Kerala on Tertiary Sector Issues held on 27.02.2013, the Assistant Development Commissioner for Rural Development informed as follows:</p> <ul style="list-style-type: none"> (i) Kollam District - the land is allotted and Government Order is to be issued. (ii) Palakkad District - land identified at Parali Grama panchayat. Government Order can be issued only on receipt of the resolution from Parali Grama panchayat. (iii) Kozhikode District - land not available. Direction given to the Programme Director to identify suitable land. <p>In the 109th & 110th SLBC meetings and the annual SLRM 2013 meeting observed that there is no progress and decided to follow up the matter with Commissionerate of Rural Development. However Government had assured that pending land allotment for RSETIs in 3 districts Palakkad, Kozhikode and Kollam would be looked into on priority and Govt. would ensure that the land is allotted at the earliest.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p>SLBC Cell, vide letters SLBC 38 196 2013 KRA dated 24.07.2013 and SLBC 129 277 2013 KRA dated 29.10.2013 had taken up the matter with the Commissioner for Rural Development.</p> <p>In the case of RSETI Idukki, Block Panchayat Nedumkandam had allotted 50 cents of land at Kalkoonthal Village, Udumbanchola Taluk for RSETI. However the land is found to be too unsuitable for construction of the Institute. The ground water authorities after inspection of the site confirmed that there is no ground water availability at the site. Further there is no other source of water supply arrangements. The place also lacks other basic amenities.</p> <p>LDM had requested the Government to allot alternate land for RSETI Idukki.</p> <p>In the Sub-Committee Meeting of SLBC, Kerala held on 25.11.2013, the representative from Commissionerate of Rural Development informed that pending land allotments cases of Kollam and Kozhikode districts would be sorted out shortly. In the case of Palakkad District, the matter would be sorted out only after getting resolution from Parali Grama Panchayat.</p> <p>The matter regarding Idukki also would be looked into on priority. However, it was opined that SLBC Cell may follow up the matter with Local Self Government Department and Director of Panchayaths.</p> <p>The 111th meeting of SLBC, Kerala held on 23.12.2013 noted that allotment of land is pending in 4 districts viz. <u>Kollam, Kozhikode, Palakkad & Idukki</u> districts.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p>In the meeting, Sri. James Varghese, IAS, Principal Secretary, Local Self Government Department informed that in the case of Idukki, a new land shall be identified jointly by the Rural Development Department & RSETI.</p> <p>The forum advised Commissionerate of Rural Development and Local Self Government Department to take proactive steps in this regard. Further it was also requested to convene a separate meeting immediately with the concerned departments to sort out the issues.</p> <p>The matter came up for discussion in the Sub-Committee Meeting of SLBC, Kerala on Pending Issues with Government of Kerala held on 04.01.2014 at Government Secretariat chaired by Sri. V. Somasundaran IAS, Additional Chief Secretary, Finance Department.</p> <p>The Sub-Committee decided that Revenue Department shall write a letter to District Collector of respective districts to speed up the process of land allotment for construction of RSETI building.</p> <p>A review meeting of RSETI Directors was held on 04.03.2014 in the Chamber of Principal Secretary, Local Self Government Department. In the meeting Principal Secretary, LSGD informed that regarding Palakkad, a letter will be addressed to Parali Grama Panchayat to ascertain their willingness to give the land for RSETI. Land allotment issues pertaining to other Districts would be addressed soon.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p>In the 112th Meeting of SLBC, Kerala held on 21.03.2014, Additional Development Commissioner of Rural Development informed that Commissionerate had already taken up the matter with District Collector, Palakkad regarding the land issue in Parali Grama Panchayat and it is informed that Parali Grama Panchayat is willing to hand over the land for RSETI building construction. Regarding the land allotment issues in other Districts, the matter is being pursued with respective District Collectors so as to sort out the issues at the earliest.</p> <p><i>Revenue Department / Commissionerate of Rural Development may inform the present position.</i></p>
4.6.2	<p>Giving Provision to Controlling offices of banks to monitor status of RR - Pending since December 2011</p>	<p><i>RR filing in the State is now online. The view option/function should be made available to the Controlling offices of banks to enable them to monitor the progress.</i></p>	<p><i>Revenue Department</i></p>	<p>In the absence of representative from Revenue Department in the earlier SLBC meetings, the forum suggested following up the matter with Revenue Department.</p> <p>In the Sub-Committee meeting of SLBC Kerala on Tertiary Sector Issues held on 27.02.2013, the Assistant Commissioner of Land Revenue informed that at present the matter is dealt by NIC, Malappuram and assured to take up with them for sorting out the matter at the earliest.</p> <p>The State Level Review Meeting of SLBC, Kerala held on 25th & 26th June, 2013 decided to pursue the matter with Revenue Department, Government of Kerala.</p> <p>SLBC Cell, vide letter SLBC 38 197 2013 KRA dated 24.07.2013, had taken up the matter with the Secretary, Revenue Department, Government of Kerala again and forwarded a copy to the Land Revenue Commissioner, Trivandrum.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p>In the 110th Meeting of SLBC, Kerala held on 13th September, 2013, Sri. E. K. Bharat Bhushan, IAS, Chief Secretary, Government of Kerala concurred with the agenda and assured that suitable mechanism would be put in place to enable banks to monitor the progress of RR collection.</p> <p>In the 111th Meeting of SLBC, Kerala held on 23.12.2013, Assistant Commissioner, Land Revenue informed that the matter is handled by NIC and the same is brought to the notice of NIC centre at Malappuram. Response is awaited. He assured the forum that the matter would be sorted out at the earliest.</p> <p>The matter came up for discussion in the Sub-Committee Meeting of SLBC, Kerala on Pending Issues with Government of Kerala held on 04.01.2014 at Government Secretariat chaired by Sri. V. Somasundaran IAS, Additional Chief Secretary, Finance Department, it was decided that:</p> <ul style="list-style-type: none"> ➤ One officer of each bank at State level and one each at district level to be identified for issuing the password <p>In the Sub-Committee Meeting of SLBC, Kerala held on 06.03.2014, representative from Revenue Department informed that as per reports available from NIC, Malappuram this facility can be provided only after completion of Information Security audit, which would take some time. NIC had given a proposal for conducting IS audit to the Government. SLBC Cell requested revenue department to inform the same by way of an official letter.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p>In the subcommittee it was suggested that passwords can be issued by Department to the bank officials in their official capacity viz. Manager/Senior Manager- Recovery rather than in individual names as bank officials are liable to be transferred periodically.</p> <p>In the 112th Meeting of SLBC, Kerala held on 21.03.2014 Representative from Revenue Department informed the forum that necessary instructions in this regard have already been given to NIC, Malappuram. The forum decided to pursue the matter with Revenue Department.</p> <p style="text-align: center;"><i>Revenue department to inform the progress</i></p>
4.6.3	Computerization of Land Records & Creation of a Central Registry titled National Mortgage Repository - Pending since June 2006	<i>(a) To computerise land records in the State of Kerala – This will enable financing banks to make online notings, regarding their lien and help to bring down the transaction cost for getting various certificates from village office.</i>	<i>Revenue Department</i>	<p>The matter is a standing agenda in SLBC meeting since 2006 but without any progress.</p> <p>In the Sub-Committee meeting of SLBC Kerala on Tertiary Sector Issues held on 27.02.2013, the Assistant Commissioner of Land Revenue informed the following:</p> <ul style="list-style-type: none"> (i) Computerization process was completed in 17 identified villages (ii) By 31.03.2013, the process would be completed in 573 villages in 9 districts (iii) Out of the total 1634 villages, the remaining would be covered by the end of 2014.

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
		<p><i>(b) To establish a National Mortgage Repository (NMR) in the State that will function in a similar manner as vehicle registration where hypothecation is marked on the Registration Book of the owner or a Search made in Registrar of Companies Office to ascertain certain details pertaining to companies.</i></p> <p><i>This is aimed at bringing in more transparency and prevention of frauds on property transactions.</i></p>		<p>Responding to the matter in the 109th meeting of SLBC, Kerala, Sri. Kamala Vardhana Rao, IAS, Secretary, Revenue Department informed that the process of computerization of land records, involves Revenue, Survey and Registration Departments. The Department is in the process of designing software and the recently formed land governance society would co-ordinate the activities of Revenue, Survey and Registration Departments to accomplish the task. Once computerization is completed, it would address all the problems related to the documentation aspects of loanees.</p> <p>50% of process would be completed by 2012-13 and the entire process would be completed within a year's time.</p> <p>The SLRM 2013 decided to pursue the matter with Revenue Department till its logical conclusion.</p> <p>SLBC Cell, vide letter SLBC 38 197 2013 KRA dated 24.07.2013, had taken up the matter with the Secretary, Revenue Department, Government of Kerala and forwarded a copy to the Land Revenue Commissioner, Trivandrum.</p> <p>In the 110th Meeting of SLBC, Kerala held on 13.09.2013, the representative from Revenue Department informed that the process for computerization of land records is under progress. The forum decided to follow up the matter with Revenue Department.</p> <p>In the 111th Meeting of SLBC, Kerala held on 23.12.2013, Assistant Commissioner, Land Revenue informed that the process of computerisation of land records is under progress.</p> <p>The forum decided to follow up the matter with Revenue Department</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p>The matter came up for discussion in the Sub-Committee Meeting of SLBC, Kerala on Pending Issues with Government of Kerala held on 04.01.2014 at Government Secretariat chaired by Sri. V. Somasundaran IAS, Additional Chief Secretary, Finance Department.</p> <p>Revenue Department informed that completion of the computerization process would require some more time.</p> <p>In the meeting it was decided that Revenue Department to arrange a meeting with Director, Survey and SLBC.</p> <p>In the Sub-Committee Meeting of SLBC, Kerala held on 06.03.2014, the representative from Revenue Department informed that Department is not provided with enough funds for completing the process.</p> <p>The 112th Meeting of SLBC, Kerala held on 21.03.2014 noted that in the Sub-Committee Meeting of SLBC, Kerala held on 06.03.2014, the representative from Revenue Department informed that Department is not provided with enough funds for completing the process.</p> <p>Representative from Revenue Department informed that funds are provided in the budget for the next financial year (2014-15) and hence the process for computerization of land records would be continued in the next financial year.</p> <p><i>Revenue department may inform the developments.</i></p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
4.6.4	E-Collection of Kerala State Commercial Taxes - Inclusion of major banks in the State in addition to banks handling the same at present - Pending since December 2011	<i>Proposal to authorize major banks to transact Kerala Government business of e-payment of Commercial Tax – issue relating to accreditation of all major banks in addition to those listed banks as per the existing Government Order.</i>	<i>Taxes Department</i>	<p>Though the matter was discussed as an agenda item in all SLBC meetings since the induction of this agenda, no progress has been made in resolving the issue. SLBC hence decided to pursue the matter with Taxes Department.</p> <p>SLBC Cell, vide letter SLBC 38 198 2013 KRA dated 24.07.2013, had taken up the matter with the Secretary, Taxes Department, Government of Kerala.</p> <p>The matter came up for discussion in the 110th Meeting of SLBC, Kerala held on 13th September, 2013.</p> <p>The forum noted that Sri. Oommen Chandy, Hon’ble Chief Minister of Kerala in his inaugural address assured that a positive decision on the matter would be taken before 31.10.2013, after due consultation with Chief Secretary.</p> <p>Further, Sri. E. K. Bharat Bhushan, IAS, Chief Secretary, Government of Kerala informed that the work in this regard is in advanced stage and is expected to complete by the end of next month.</p> <p>In the 111th Meeting of SLBC, Kerala held on 23.12.2013, Sri. A. Ajithkumar IAS, Secretary, Taxes Department informed that 20 banks are already included and Government is waiting to get the GRAS package operationalised in the state from January 2014.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p>The matter came up for discussion in the Sub-Committee Meeting of SLBC, Kerala on Pending Issues with Government of Kerala held on 04.01.2014 at Government Secretariat chaired by Sri. V. Somasundaran IAS, Additional Chief Secretary, Finance Department.</p> <p>It was decided that Taxes Department to inform their view on the matter after taking up with Reserve Bank of India and furnish a decision before the next SLBC meeting.</p> <p>The Sub-Committee of SLBC, Kerala that met on 06.03.2014 noted that a decision in this regard is not received so far. Representative from Taxes Dept, was not present in the sub-committee meeting.</p> <p>In the 112th Meeting of SLBC, Kerala held on 21.03.2014, Assistant Commissioner, Commercial Taxes Department informed that Department had already issued G.O. notifying 18 banks in the e-payment scenario. Out of which 10 banks have already completed the software testing process. The issue is that present treasury software and hardware requires up gradation for permitting other banks. It was informed that this would be completed by 01.04.2014. Only after implementing the Government Receipt Accounting System (GRAS) they can incorporate all other banks in the e-payment scenario. He then listed out the name of banks notified by Government viz. Corporation Bank, IDBI Bank, UCO Bank, Punjab National Bank, Central Bank of India, HDFC Bank, ICICI Bank, Federal Bank, Indian Overseas Bank, South Indian Bank – These 10 banks have completed the testing process of software also. Other banks included are - Bank of India, Indian Bank, Bank of Baroda, Canara Bank, Dhanlaxmi Bank, Indus Ind Bank, YES Bank, Union Bank of India.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p>He suggested that Banks may give a formal representation to Commissioner, Commercial Taxes Department for inclusion, so as to enable them to forward the request to State Government.</p> <p>The forum decided to pursue the matter with Taxes Department.</p> <p><i>Taxes Department may inform the present position.</i></p>
4.6.5	<p>Need for Reduction in Stamp Duty and Registration charges for Registered Memorandum - Pending since December 2007</p>	<p><i>The proposal is aimed at:</i></p> <ul style="list-style-type: none"> • <i>Enforcing stamp duty on Equitable Mortgages (EM) put forth by banks by putting through “Registered Memorandum” with a maximum nominal monetary ceiling on the stamp duty imposed.</i> • <i>To make registration of Memorandum of Agreement relating to deposit of title deeds mandatory in the State instead of making it optional.</i> 	<p><i>Taxes Department</i></p>	<p>SLBC Kerala has been regularly pursuing the matter with Secretary, Taxes Department since the induction of the agenda in December 2007.</p> <p>In the 109th meeting of SLBC, Kerala held on 26.03.2013, the representative from Taxes Department informed that the note regarding the recommendation is under the consideration of the Government for fixing upper ceiling.</p> <p>The State Level Review Meeting of SLBC, Kerala held on 25th & 26th June, 2013 & 110th SLBC meeting held on 13th September, 2013 decided to pursue the matter with Taxes Department as there is no progress.</p> <p>SLBC Cell, vide letter SLBC 38 198 2013 KRA dated 24.07.2013, had taken up the matter with the Secretary, Taxes Dept, Govt. of Kerala.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p>In the 111th Meeting of SLBC, Kerala held on 23.12.2013, Sri. A. Ajithkumar IAS, Secretary, Taxes Department informed that presently stamp duty is at 0.1% without any cap. Government is thinking of putting a slab system.</p> <p>The matter came up for discussion in the Sub-Committee Meeting of SLBC, Kerala on Pending Issues with Government of Kerala held on 04.01.2014 at Government Secretariat chaired by Sri. V. Somasundaran IAS, Additional Chief Secretary, Finance Department.</p> <p>It was decided that Taxes Department may fix a nominal rate with cap for registration of Memorandum of Deposit of Title Deeds regarding Equitable Mortgage. The Department shall also execute release deed on closure of the loan. Taxes Department was directed to examine the matter and take a decision before the next SLBC meeting.</p> <p>The Sub-Committee of SLBC, Kerala that met on 06.03.2014 noted that a decision in this regard is yet to be informed by Taxes Department. Representative from Taxes Department was not present in the sub-committee meeting.</p> <p>In the meeting representative from Registration Department informed that the matter is pending with Taxes (E) Department. It was informed that Section 17 of the Registration Act, which is a Central Act that has to be amended.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress								
				<p>Though State Government had lowered the Registration fee to 0.1% , cap is not fixed.</p> <p>The present structure of stamp duty is as follows:</p> <table border="1" data-bbox="1182 517 2181 836"> <tr> <td data-bbox="1182 517 1525 596">If the amount secured is up to Rs. 5 lakhs</td> <td data-bbox="1525 517 2181 596">0.5% of the amount</td> </tr> <tr> <td data-bbox="1182 596 1525 676">Rs. 5-20 lakhs</td> <td data-bbox="1525 596 2181 676">0.5% of amount subject to maximum of Rs. 5000/-</td> </tr> <tr> <td data-bbox="1182 676 1525 756">Rs. 20-50 lakhs</td> <td data-bbox="1525 676 2181 756">0.5% of amount subject to maximum of Rs. 10000/-</td> </tr> <tr> <td data-bbox="1182 756 1525 836">Above Rs. 50 lakhs</td> <td data-bbox="1525 756 2181 836">0.25% of amount subject to a minimum of Rs. 20000/- and maximum of Rs. 25000/-</td> </tr> </table> <p>Registration Department had submitted a proposal for introducing an upper ceiling on registration fee to Taxes (E) Department vide letter RR3/13585/11 dated 24.04.2012.</p> <p>Further representative of Registration Department informed that making the registration of Memorandum of Deposit of Title Deeds (MoDTD) mandatory in the State would require amendment of the Central act, which may take a lot of time. Instead it was suggested that once ceiling on registration fee is also permitted by the State Govt, banks may evolve an agreement relating to deposit title deeds and may decide in SLBC that henceforth mortgage loans would be granted only after registration of the Memorandum of Deposit of Title Deeds. Technical aspects in this regard would be supported by Registration Department.</p>	If the amount secured is up to Rs. 5 lakhs	0.5% of the amount	Rs. 5-20 lakhs	0.5% of amount subject to maximum of Rs. 5000/-	Rs. 20-50 lakhs	0.5% of amount subject to maximum of Rs. 10000/-	Above Rs. 50 lakhs	0.25% of amount subject to a minimum of Rs. 20000/- and maximum of Rs. 25000/-
If the amount secured is up to Rs. 5 lakhs	0.5% of the amount											
Rs. 5-20 lakhs	0.5% of amount subject to maximum of Rs. 5000/-											
Rs. 20-50 lakhs	0.5% of amount subject to maximum of Rs. 10000/-											
Above Rs. 50 lakhs	0.25% of amount subject to a minimum of Rs. 20000/- and maximum of Rs. 25000/-											

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p>In the 112th Meeting of SLBC, Kerala held on 21.03.2014, Dr. A. Kowsigan IAS, Inspector General, Registration Department informed for all mortgage deeds executed for availing loans from commercial banks, the stamp duty has been reduced from 5% to 0.5% subject to maximum of Rs. 20,000/-. When it comes to registration fee of such mortgage deeds, stamp duty is reduced from 2% to 1% subject to a maximum of Rs.500/-. This would be with effect from 01.04.2014 onwards for which an executive order would be issued. Therefore, this should facilitate banks in insisting that all those who were executing a mortgage deed shall get it registered. Stamp duty as well as registration fee have been lowered to manageable limits.</p> <p>Since the Government order lowering the Stamp duty and Registration charges were yet to be issued by the Department, the forum decided to pursue the matter with Taxes Department, Government of Kerala.</p> <p>Taxes / Registration Departments may inform the developments.</p>
4.6.6	<p>Automation of Interface of State Government Treasuries with Banks - Pending since December 2011</p>	<p><i>The Department of Financial Services, Ministry of Finance, Government of India desires that full automation and interface of State Government Treasuries with the banks should be given top priority as it would help the concerned state government and the Banks to implement EBT, funds transfer to beneficiaries and credit of Govt. grants/subsidy/funds, quick credits etc.</i></p>	<p><i>Finance Department</i></p>	<p>In the 108th Meeting of SLBC, Kerala held on 03.01.2013, the Additional Secretary, Finance Department informed that work in this regard is in progress. This being a long pending item the forum requested to provide a status paper.</p> <p>Vide letter No.247/PLG A2/2012/Fin dated 05.01.2013, the Principal Secretary Finance (Planning A) Department, Government of Kerala informed that :</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p>“The full automation of interface of State Government Treasuries can be done only after the implementation of networking of treasuries. The procedure for the implementation of networking is in progress. At the same time, Government have asked the Director of Treasuries to inform the progress made and the difficulties faced by the State Government in the process of full automation of State Government treasuries and automated interface with the concerned banks to furnish a report to Government of India. The report of the Director of Treasures is awaited.”</p> <p>In the State Level Review Meeting of SLBC, Kerala held on 25th & 26th June 2013, it was informed that the interface between treasury and banks, facilitating EBT is being developed. Govt. intends to bring down the volume of cash handling by Treasuries and Government offices through EBT system. It starts with disbursement of welfare pensions & Scholarships and the digitization of data is in progress.</p> <p>SLBC Cell, vide letter SLBC 38 200 2013 KRA dated 24.07.2013, had taken up the matter with the Principal Secretary, Finance Department, Government of Kerala.</p> <p>In the 110th Meeting of SLBC, Kerala held on 13th September, 2013, Sri. A. R. Ajayakumar, Additional Secretary, Finance Department, Government of Kerala informed that the main bottleneck in treasury automation is connectivity. Department had now issued supply order for purchase of a server for EBT and for establishing the connectivity. Once the connectivity problem is resolved, department would be in a position to provide interface with banks. He assured that within 3 months Govt. would be able to implement the project in a fruitful way.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p>The forum decided to pursue the matter with Finance Department.</p> <p>In the 111th Meeting of SLBC, Kerala held on 23.12.2013, Sri. V. Somasundaran IAS, Additional Chief Secretary, Finance Department informed that there is significant progress in Treasury computerisation. Now salary disbursement process is computerised and submission of bills is through online. He expressed hope that by the end of March 2014 present computerisation process would be over.</p> <p>The matter came up for discussion in the Sub-Committee Meeting of SLBC, Kerala on Pending Issues with Government of Kerala held on 04.01.2014 at Government Secretariat chaired by Sri. V. Somasundaran IAS, Additional Chief Secretary, Finance Department.</p> <p>In the deliberations it was informed that treasury automation involves networking of treasuries and envisages funds transfer directly from treasuries to banks without the concept of agency banks through NEFT/RTGS gate way. It was opined by some banks funds transfer through agency banks takes place through delay. In this regard treasury should have access to NEFT/RTGS payment gateways.</p> <p>The meeting enquired whether RBI would be in favour of this and whether access would be given for treasuries to payment gateways like NEFT/RTGS for direct funds transfer from treasury. The RBI representative who attended the meeting informed that the clarification on the matter will be given by RBI.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p>The Sub-Committee of SLBC, Kerala that met on 06.03.2014 decided to pursue the matter.</p> <p>The matter came up for discussion in the 112th Meeting of SLBC, Kerala held on 21.03.2014.</p> <p>Responding to the query, whether RBI would give State Government Treasury access to NEFT/RTGS payment systems, Deputy General Manager, Reserve Bank of India informed that RBI had received a reference in this regard from the concerned Government Department and a policy decision in this regard has to be taken by RBI, Central Office. As of now NEFT access is not allowed to any non bank entities. In view of the request emanating from various State Governments where automation had made some headway, the matter is being revisited by RBI and a decision in this regard would be communicated to SLBC/State Government shortly.</p> <p>The forum decided to pursue the matter with Finance Department/RBI.</p> <p>Vide letter RPCD (T) No.LBS/160/03.02.002/2013-14 dated 21.05.2014, Reserve Bank of India informed that “as per extant instructions, entities can avail RTGS and NEFT services through a bank only. Therefore, direct access to payment gateways like RTGS/NEFT is not possible to State Govt treasury under the present scenario”.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				Finance Department may inform the present position of Treasury automation. In the wake of RBI declining the possibilities of direct access of treasury to payment gateways, ways and means to improve the payment efficiency shall also be informed.
4.6.7	<p>Amendment/ modification in Kerala Registration Rules empowering the SROs to make entry of possession of immovable properties by banks under SARFAESI Act, in Book I</p> <p>- Pending since December 2007</p>	<p><i>To make suitable amendment in the Registration Rules and to empower the SROs to make an entry of possession of immovable properties under SARFAESI Act 2002 also in their Book I, as done in the case of property attachment made by Civil or Revenue courts.</i></p>	<p><i>Registration Department</i></p>	<p>The issue is pending since December 2007. SLBC Kerala has been regularly pursuing the matter with Registration Department since the induction of the agenda.</p> <p>In the 108th Meeting of SLBC, Kerala held on 03.01.2013, the representative from Taxes Department informed that the matter is under active consideration of the Government. However, since amendment of act is involved informed that it may take time.</p> <p>The State Level Review Meeting of SLBC, Kerala held on 25th & 26th June, 2013 noted that proposal was submitted to Government for amendment of registration Act vide letter No.IT3/20954/2010 dated 15.12.2011 and decision is pending.</p> <p>SLBC Cell, vide letter SLBC 38 201 2013 KRA dated 24.07.2013, had taken up the matter with the Inspector General, Registration Department, Government of Kerala.</p> <p>The matter came up for discussion in the 110th Meeting of SLBC, Kerala held on 13th September, 2013. The forum decided to pursue the matter with Registration Department.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
				<p>In the 111th Meeting of SLBC, Kerala held on 23.12.2013, Sri. A. Ajithkumar IAS, Secretary, Taxes Department informed that amendment of registration act 1908 shall be done by the Government of India for doing this. The recent amendment introduced in the parliament is expected to take care of this aspect. Taxes Department has submitted a proposal to Government of India in this regard.</p> <p>The forum decided to follow up the matter with Registration Department.</p> <p>The matter came up for discussion in the Sub-Committee Meeting of SLBC, Kerala on Pending Issues with Government of Kerala held on 04.01.2014 at Government Secretariat chaired by Sri. V. Somasundaran IAS, Additional Chief Secretary, Finance Department.</p> <p>Taxes Department informed that since Central Act has to be amended, the matter is already taken up with Government of India.</p> <p>In the Sub-Committee Meeting of SLBC, Kerala held on 06.03.2014, representative from Registration Department informed that Central Act Section 89 has to be amended and Proposal in this regard was submitted to Government on 15.12.2011.</p> <p>The 112th Meeting of SLBC, Kerala held on 21.03.2014 decided to pursue the matter with Registration Department</p> <p>Registration Department may inform the present position.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
4.6.8	<p>Non availability of Central Government & State Government Interest Subsidy to Education Loans availed from District Co-operative Banks & PACS</p>	<p><i>In the District Development Council (DDC) Meeting of Kasaragod District held on 30.09.2013, Sri. N. A. Nellikunnu M.L.A. Kasaragod raised the issue of non availability of Central Govt / State Govt Interest Subsidy to Education Loans granted by Co-op. Banks in the District.</i></p> <p><i>It was informed in the DDC that, this issue of Cooperative Banks not coming under the purview of the Interest Subsidy Scheme on Education Loans of the Central Government & State Government has been deliberated time and again in the Block Level Banker's Committee and the District Level Consultative Committee. This matter, as per the decision in the DLRC/BLBC, was also referred to the SLBC, for taking up with Central Government & State Government. It was also informed that SLBC had already taken up the matter with the Government, but there is no favourable response so far.</i></p>	<p>1) Ministry of Finance, Government of India</p> <p>2) Finance & Planning Departments of Govt of Kerala</p>	<p>The Sub-Committee of SLBC, Kerala that met on 25.11.2013 decided to place the matter in SLBC for discussion.</p> <p>The matter came up for discussion in the 111th Meeting of SLBC, Kerala held on 23.12.2013.</p> <p>In the meeting, LDM, Kasaragod informed that the matter was discussed in the last DDC meeting attended by MLAs and MP of the district. This has been a long pending issue, not only in Kasaragod but also in other districts where education loans are granted by Cooperative banks. DCBs and PACS are excluded from the interest subsidy schemes of both Government of India and Government of Kerala</p> <p>The forum decided to take up the matter with Government of India/Kerala.</p> <p>In the 112th Meeting of SLBC, Kerala held on 21.03.2014, Sri. V. Prabhakaran Nair, General Manager, Kerala State Co-operative Bank opined that the denial of Education loan interest subsidy to DCBs and PACS is unfair. He suggested that at least Government of Kerala may include DCBs and PACs in their interest subsidy scheme.</p> <p>The 112th Meeting of SLBC, Kerala held on 21.03.2014 decided to take up the matter with Government of India/Kerala.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
		<p><i>In the above circumstances, it is requested to take up the matter again with Central/State Government for including District Cooperative Banks & PACS also under the purview of interest subsidy in addition to State Co-operative bank and other scheduled Commercial banks. This will support DCBs and PACS which are extending credit to this sector in a big way and also prevent discrimination of Education Loan borrowers in the matter of interest subsidy.</i></p>		<p>Planning/ Finance Department may inform the decision of State Government on this issue.</p>
4.6.9	<p>Tax Claims on Auction proceeds</p>	<p><i>As per section 6 of Kerala VAT Act, every dealer shall be liable to pay tax on his sales or purchase of goods as provided in the Act. The definitions of “dealer” includes (f) a Bank or a financial institutions, which , whether in the course of its business or not sells any gold or other valuable article pledged with to secure any loan, for the realization of such loan account.</i></p>	<p><i>Taxes Department</i></p>	<p>The Sub-Committee of SLBC, Kerala that met on 06.03.2014, decided to place the matter in SLBC for bringing to the notice of State Government.</p> <p>The matter came up for discussion in the 112th Meeting of SLBC, Kerala held on 21.03.2014. The forum decided to take up the matter with concerned Department of Government of Kerala.</p> <p>Assistant Commissioner, Commercial Taxes Department informed sale of movable commodities are under VAT Act and there is no provision under VAT Act for giving exemption.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
		<p><i>In view of the said provision, the Bank is bound to collect and remit VAT on every sale of pledge assets. Since, the movable assets are sold by the Banks as secured creditors for realization of loan amounts; there is no value addition or profiteering to the bank in such distress sales. Banks are playing active role in economic development of the region/State. The section 6 of Kerala VAT Act stands as hindrance/ impediment for Banks to go for high value and large value advances in the State.</i></p> <p><i>Hence, it is requested that the issue may be taken up with State Government with a request to exempt the sale of movable assets by the Bank from the purview of VAT.</i></p>		

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
4.6.10	Denial of E-Tender access facilities to customers of all banks except SBT	<p><i>Few bank branches have complained that E-Tender access is deprived to their customers as the access is restricted for SBT only. Presently SBT alone is permitted to handle E-Tender business of Government of Kerala. Because of this other bank customers are forced to open accounts with SBT and is causing lot of inconveniences to them.</i></p>	<p><i>Finance & Information Technology Department</i></p>	<p>The Sub-Committee of SLBC, Kerala that met on 06.03.2014 decided to place the matter in SLBC.</p> <p>The matter came up for discussion in the 112th Meeting of SLBC, Kerala held on 21.03.2014. The forum decided to pursue the matter with Finance & IT Department of Government of Kerala.</p> <p>Finance & Information Technology Department may inform their views/ decisions on the matter.</p>
4.6.11	Noting of Equitable Mortgage created in favour of the banks in Revenue Records	<p><i>At present there is no practice of noting/recording the Equitable Mortgage (EM) transactions (ie. Mortgage by deposit of title deeds) in the revenue records of the State Government. Also there are no provisions for the same in the revenue regulations of the State of Kerala.</i></p>	<p><i>Revenue Department</i></p>	<p>The Sub-Committee of SLBC, Kerala that met on 06.03.2014 decided to place the matter in SLBC for deliberations.</p> <p>The matter came up for discussion in the 112th Meeting of SLBC, Kerala held on 21.03.2014 and the forum decided to take up the matter with Revenue Department.</p> <p>Revenue Department may inform the progress.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
		<p><i>In a recent judgment of the Hon'ble Supreme Court of India in State of Haryana v. Narvir Singh & another, reported in (2014) 1 Supreme Court Cases 105, wherein it has been held that banks and financial institutions who accept a mortgage by deposit of title deeds can request the Revenue Authorities to enter the factum of such mortgage in the revenue records. In the facts of the aforesaid case, the Revenue Authorities had taken the stand that only a registered mortgage can be noticed in the revenue records. The view taken by the Revenue Authorities has been held to be unsustainable.</i></p> <p><i>Now that the law has been settled by the Hon'ble Supreme Court, it is requested that when the bank accepts mortgage by deposit of title deeds (Equitable Mortgage), provision shall be enabled for the bank to request the Revenue Authorities to note the same in the revenue records.</i></p>		

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
4.6.12	<p>Non availability of Government of India Interest Subsidy on Education loans granted by KSCARD Bank - Pending since July 2012</p>	<p><i>Education Loans granted by KSCARD Bank also to be provided with interest subsidy extended by Government of India.</i></p>	<p><i>Ministry of Finance Government of India</i></p>	<p>SLBC Cell vide letter No. SLBC 35 105 2013 KRA dated 04.03.2013 had written to the Deputy Secretary, Ministry of Finance, GoI.</p> <p>The 109th meeting & annual SLRM 2013 meeting of SLBC, Kerala decided to pursue the matter with Government of India.</p> <p>SLBC Cell, vide letter SLBC 38 202 2013 KRA dated 24.07.2013, had again taken up the matter with Ministry of Finance, Department of Financial Services, Government of India.</p> <p>The matter came up for discussion in the 110th & 111th Meeting of SLBC, Kerala decided to pursue the matter with Ministry of Finance, Department of Financial Services, Government of India. The forum suggested that State Government may also recommend the matter to Government of India.</p> <p>The Sub-Committee of SLBC, Kerala that met on 06.03.2014 decided to pursue the matter with Government of India.</p> <p>The 112th Meeting of SLBC, Kerala held on 21.03.2014 decided to pursue the matter with Ministry of Finance, Department of Financial Services, Government of India.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
4.6.13	Establishment of Financial Literacy Centres (FLCs) in all blocks of the State	<p><i>RBI vide circular RPCD.CO.MFFI.BC.N0.86/12.01.018/2008-09 dated 04.02.2009 had brought out a model scheme with regard to establishment of FLC wherein it was envisaged to set up FLCs at all levels viz. Block, District, Town and City level. Accordingly, banks were expected to initiate setting up of FLCs in all the Blocks.</i></p> <p><i>Kerala has a unique status of having established FLC in all the 14 districts by September 2011 itself. The task of establishing FLC at Block level was aimed to be completed by September 2013 and subsequently this deadline was extended to January 2014. Accordingly, LDMs have allotted the blocks to the banks operating in the area for establishing FLCs.</i></p>	<p><i>Banks/LDMs</i></p>	<p>The 112th SLBC meeting reviewed the bank wise pendency position. The forum noted that against 152 blocks, FLCs were established in 141 blocks. The deadline for completion of task was extended till 31.03.2014.</p> <p>A recent review by SLBC cell reveals that FLCs were established in 147 blocks against the target of 152. Bank wise pendency position as on 06.06.2014 is given in the <u>Annexure-7.46.</u></p> <p>The bank wise performance vis-a vis allotted targets is given in <u>Annexure-7.45.</u></p> <p>Status & Progress Report as at March 2014 pertaining FLCs already established is given in <u>Annexure-7.47.</u></p> <p>Further SLBC is awaiting reports from LDMs regarding the compliance part of FLCs already opened by banks in bank branches and Akshaya centres. LDMs were asked to furnish report regarding availability of exclusive counselor, facilities extended, visibility of FLCs etc. Most of the LDMs are yet to furnish the report.</p> <p><i>Banks to inform the present position.</i></p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
4.6.14	Progress in Coverage of Sub Service Area (SSA) by Banks	<i>SSA mapping was completed for all 14 Districts of the State and 1920 SSAs were allotted to 18 banks for commencement of banking Services. Of these 1920 SSAs, 1102 are existing centres and need to be covered through CSC ie Akshaya and 818 are the proposed centres which are to be covered by own arrangements of Banks or through Akshaya.</i>	<i>Banks/LDMs/ Akshaya/ CSC e-Governance</i>	<p>The consolidated District wise- Bank wise Sub Service Area (SSA) allocation for Kerala State is given in <u>Annexure-7.63.</u></p> <p>During this quarter, SLBC had conducted an exclusive subcommittee meeting for reviewing the progress in the implementation of banking facilities in SSA. The minutes of the subcommittee meeting held on 22.05.2014 is given in the <u>Annexure-7.64.</u></p> <p>Many field level issues are reported regarding the implementation of Kiosk Banking, the details of which are given in <u>Annexure-7.68.</u></p> <p>The performance of banks involved in coverage of SSA as at 20.05.2014 is given in the <u>Annexure-7.62.</u> (Data consolidated by M/s Akshaya)</p> <p>Subcommittee of SLBC on SSA advised Banks/LDMs/Akshaya to meticulously implement the decisions taken in the subcommittee meeting which is given in <u>Annexure-7.64.</u> Controlling offices of banks involved in Kiosk Banking to take expeditious steps for resolving the issues if any involved in their Kiosk banking and popularize the same.</p>

Sl. No.	Agenda Item	Action Points	Action to be taken by	Present Position/Progress
4.6.15	<p>Coverage of unbanked Panchayats in the State with branches of Commercial Banks</p>	<p><i>SLBC Cell through LDMs have consolidated the list of Panchayats (33 nos) in the State without any branches of commercial banks during Dec 2013 and this was placed as an agenda item in the 111th SLBC meeting.</i></p> <p><i>The responsibility of opening brick and mortar branches in these centres were allocated to those banks who are presently servicing the maximum wards in these Panchayats. It was resolved to open Bank branches in these unbanked Panchayats before 31.03.2014 in the 111th SLBC meeting.</i></p> <p><i>In the last SLBC meeting the deadline was extended to 30.04.2014.</i></p>	<p><i>Banks</i></p>	<p>As at 06.06.2014, out of 33 unbanked Panchayats originally allotted, bank branches were opened in 18 places and it has been agreed to open branches in 15 places.</p> <p>The present position of opening bank branches in the unbanked Panchayats by the banks concerned is given in the <u>Annexure-7.57.</u></p> <p>Bank wise progress shall be reviewed in SLBC meeting.</p>

5. Review of Performance under various Segments

5.1. Review of Priority Sector Advances (Disbursement) as at March 2014 – ACP achievements (Refer Annexures 7.11 & 7.12)

The performance of banks with reference to the Annual Credit Plan 2013-2014 as at March 2014 with Bank-wise and District-wise break up is furnished in the annexure. The abstract of the performance as at March 2014 under ACP 2013-2014 is as follows.

(Rs. in Crores)

Bank/Banking Group	Primary Sector			Secondary sector			Tertiary Sector			Total Priority Sector Advances		
	Target	Ach.	% Ach.	Target	Ach.	% Ach.	Target	Ach.	% Ach.	Target	Ach.	% Ach.
State Bank Group	6008	9248	153.93	1243	3408	274.14	7037	8114	115.31	14288	20770	145.37
Nationalised Banks	8858	12985	146.59	2629	1874	71.29	7391	5449	73.72	18879	20308	107.57
RRB	3364	4619	137.33	249	131	52.70	2224	1765	79.35	5837	6515	111.62
Private Sector Banks	5323	6535	122.76	1660	1513	91.19	6256	4426	70.75	13239	12474	94.22
Cooperatives	11160	9490	85.02	1061	708	66.59	15579	19093	122.55	27801	29291	105.35
KFC	22	13	60.64	284	258	90.89	113	115	101.94	419	386	92.31
Total	34736	42890	123.48	7127	7892	110.74	38601	38962	100.94	80463	89744	111.53
% to Total Disbursement		47.80			8.79			43.41			100	

Comparison with previous year

Year	Primary Sector			Secondary sector			Tertiary Sector			Total Priority Sector Advances		
	Target	Ach.	% Ach.	Target	Ach.	% Ach.	Target	Ach.	% Ach.	Target	Ach.	% Ach.
2012-13	30064	37710	125.43	4708	3675	78.07	32352	35497	109.72	67124	76882	114.53
2013-14	34736	42890	123.48	7127	7892	110.74	38601	38962	100.94	80463	89744	111.53

The banking sector of the State has disbursed **Rs. 89744 crores** to the priority sector during the fiscal 2013-14 as at March 2014. This is **111.53 %** of the annual target of **Rs. 80463 crores**. There is an increase of **Rs. 12862 crores (16.73 %)** in total disbursements over that achieved during the corresponding period of the last financial year.

Banking group wise analysis reveals that Cooperatives have disbursed the highest quantum of priority sector loans in the State during the fiscal (**Rs. 29291 crores**) followed by State Bank Group (**Rs. 20770 crores**). A comparison based on percentage achievement of target reveals that State Bank group and RRB performed above that of the State's overall performance level. Disbursement to secondary sector constituted **8.79 %** of the total disbursement made by banks to the priority sector.

Bank-wise analysis reveals that Kerala State Co-operative Bank has disbursed the highest quantum of priority sector loans (**Rs. 27800 crores**) followed by State Bank of Travancore (**Rs. 14006 crores**).

Ernakulam district stood first in the quantum of Priority Sector loan disbursement (**Rs. 13144 crores**) followed by Thrissur with a disbursement of **Rs. 11668 crores**. Ernakulam district was first in percentage achievement of target (**153.08%**) followed by Malappuram (**122.51%**) and Thrissur (**119.61%**).

A review of performance under Primary Sector reveals that out of the total disbursement of **Rs. 42890 crores**, only **Rs. 6019 crores** was to Agriculture Term loans. This forms only **14.03%** of the total disbursement under Agriculture. Further the achievement of target under Agricultural Term loans was only **64.60 %**. The district wise break up of crop loan and term loan disbursements for March 2014 is given in the **Annexure-7.50.**

The break up of target under agriculture disbursement for the current financial year (2014-15) is given in **Annexure-7.52.**

5.2. Review of Priority Sector Advances (Outstanding) as at March 2014 (Refer Annexure 7.4)

5.2.1. Performance versus National goals

(Figures in percentage)

Sl. No.	Parameter	Goal %	March 2010	March 2011	March 2012	March 2013	March 2014	Variation			
								March' 10- March' 11	March'11- March'12	March'12- March'13	March'13- March'14
1	Priority Sector Advances to Total Credit	40	60.01	58.32	57.34	56.72	59.14	-1.69	-0.98	-0.62	2.42
2	Agriculture Advances to Total Credit	18	22.46	22.49	24.25	25.73	25.42	0.03	1.76	1.48	-0.31
3	Weaker Section Advances to Total Credit	10	16.16	18.39	19.33	19.94	21.72	2.23	0.94	0.61	1.78
4	DRI Advances to Total Credit	1	0.02	0.02	0.02	0.03	0.03	0	0	0.01	0
5	Credit Deposit Ratio	60	67.63	75.50	75.57	76.41	68.66	7.87	0.07	0.84	-7.75

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

The growth in outstanding advances under sub sectors of priority sector as at March 2014 is summarized as follows.

(Rs in. Crores)

Parameter	Outstanding					Variation			
	March 2010	March 2011	March 2012	March 2013	March 2014	March' 10- March' 11	March'11- March'12	March'12- March'13	March'13- March'14
Priority Sector Advances	58204	71145	85606	99318	113555	12941	14461	13712	14237
Agriculture Advances	21786	27439	36209	45055	48812	5653	8770	8846	3757
MSE Advances - Priority	11759	16896	20593	23563	32069	5137	3697	2970	8506
Weaker Section Advances	15674	22435	28865	34911	41701	6761	6430	6046	6790
SC Advances	3281	3011	2957	3284	4664	-270	-54	327	1380
ST Advances	300	553	606	729	1008	253	53	123	279
DRI Advances	22.61	24.76	33.98	43.93	66.54	2.15	9.22	9.95	22.61

5.2.2. Performance of the Banking sector inclusive of Co-operatives (excluding PACs) as at March 2014

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

Performance of Co-operative Sector under Vital Banking Statistics

(Amount Outstanding)

(Rs in. Crores)

Parameter	March 2014		Share of Co-operatives to Total
	Co-operative Sector	Commercial Banks + Co-operatives	
Branches	902	6590	13.69
Total Deposits	40229	319883	12.58
Total Advances	28954	220964	13.10
Total Business	69183	540847	12.79
Priority Sector Advances	17149	130705	13.12
% Priority Sector Advances	53.23	59.15	NA
Agriculture Advances	4433	53245	8.33
% Agriculture Advances	15.31	24.10	NA
SME Advances	941	33010	2.85
CD Ratio	71.97	69.08	NA

Including the Co-operative sector the total Banking business in the State is **Rs. 540847 crores**. The Co-operative sector account for nearly **12.79 %** of the banking business in the State (**Rs. 69183 crores**). The CD ratio of the State including Co-operatives have recorded a figure of **69.08 %** as at March 2014 against **68.66%** recorded for commercial banks.

5.2.3. Priority Sector Advances in Total Advances – Bank Group-wise (Refer Annexure 7.4)

During the financial year of 2013-14, Priority Sector Advances increased by **Rs. 14237 crores** as against **Rs. 13712 crores** added during the corresponding period of previous fiscal.

Against the mandatory norm of 40% under priority sector advances, as at March 2014, **59.14 %** of the total advances of the banks in the State were to priority sector.

Banking Group wise Performance under Priority Sector Advances as at March 2014

(Rs in. Crores)

BANK	Total Advances			Priority Sector Advances			% PSA to Total Adv. (March'14)
	March 2013	March 2014	Growth March'13-March'14	March 2013	March 2014	Growth March'13-March'14	
State Bank Group	55398	57402	2004	33465	36119	2654	62.92
Nationalised Banks	59686	65728	6042	39393	42297	2904	64.35
RRB	7561	9041	1480	6501	7839	1338	86.70
Private Sector Banks	52442	59839	7397	19959	27300	7341	45.62
GRAND TOTAL	175087	192010	16923	99318	113555	14237	59.14

During the fiscal 2013-14, highest contribution to the priority sector advances outstanding of the State is by Private Sector Banks (**Rs. 7341 crores**) followed by Nationalised Banks (**Rs.2904 crores**) and State Bank Group (**Rs. 2654 crores**). RRB has **86.70 %** of their advances under priority sector followed by Nationalised Banks (**64.35 %**) and the State Bank Group (**62.92 %**). Private Sector Banks have achieved **45.62 %** under Priority sector advances as at March 2014. The percentage of Priority sector advances to Total advances for the State is **59.14 %** which is much above the mandatory level of 40%. The Priority sector advances to total advances of the State have recorded an increase of **242** basis points from March 2013.

The entire advance of KSCARD Bank has been classified as priority sector advances.

6. Review of Performance of the Banking Sector

6.1. Banking Statistics as at March 2014 (Refer Annexure 7.1 to 7.3)

The detailed banking statistics for the State as at March 2014 is furnished in the Annexure. A comparative analysis of the data over the previous fiscals is presented below.

(Rs. in Crores)

Parameter	Outstanding			Variation	
	March 2012	March 2013	March 2014	March' 12- March'13	March' 13- March'14
No. of Branches	4911	5279	5688	368	409
Total Deposits	197557	229148	279655	31591	50507
Domestic Deposits	149103	162958	185772	13855	22814
NR Deposits	48454	66190	93883	17736	27693
Total Advances	149293	175087	192010	25794	16923
Investments	5033	5652	10983	619	5331
Advances + Investment	154204	180739	202993	26535	22254
Credit Deposit Ratio	75.57	76.41	68.66	0.84	-7.75
C+ I : D Ratio	78.06	78.87	72.59	0.81	-6.28

6.2. Branch Network

As at the end of March 2014, the total number of branches of Commercial Banks in the State was **5688**.

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

Banking Group	Number of Branches				Percentage distribution			
	Rural	S.Urban	Urban	Total	Rural	S.Urban	Urban	Total
Public Sector Banks	259	2630	883	3772	4.55	46.24	15.52	66.31
Private Sector Banks	174	1326	416	1916	3.06	23.31	7.32	33.69
TOTAL	433	3956	1299	5688	7.61	69.55	22.84	100

Of the total Commercial banks in the State, Public Sector Banks account for **66.31 %** of the branch network in the State. Public Sector Banks are having the highest number of rural branches (**259 branches**). Of the total branch network of Commercial banks in the State, only **7.61 %** is in rural areas whereas Semi-urban areas have **69.55 %** of the bank branches in the State. Urban branches constitute **22.84 %** of branch network.

On a comparison with March 2013 position, it is found that Public Sector Banks have increased their tally of branches by **282** branches whereas that of Private Sector Banks increased by **127** branches as at March 2014.

6.3. Deposit growth

During the fiscal 2013-14, there was a growth of **Rs. 50507 crores** in Deposits of the State and the outstanding total deposits reached a level of **Rs. 279655 crores** in the commercial banking sector of the State. During the corresponding period of the previous fiscal, the total deposit of the State was **Rs. 229148 crores**. Quantum wise, the total deposits have grown from **Rs. 229148 crores** in March 2013 to **Rs. 279654 crores** in March 2014, a year-on-year growth of **22.04%**.

Another significant feature in this deposits growth is that the share of domestic deposits in total deposits is gradually decreasing. As at March 2012, the share of domestic deposits in the total deposits was **75.47 %**, which has now steadily decreased to **66.42 %** as at March 2014.

Sectoral Growth of Deposit over the Years

(Rs. in Crores)

Type of deposit	March 2006	March 2007	March 2008	March 2009	March 2010	March 2011	March 2012	March 2013	March 2014
Total Deposit	77677	91697	105488	130350	143404	161562	197557	229148	279655
Domestic Deposit	47006	58394	75599	93331	106518	123872	149103	162958	185772
N R Deposit	30671	33303	29889	37019	36886	37690	48454	66190	93883
% Share of Domestic Deposits	60.51	63.68	71.67	71.60	74.28	76.67	75.47	71.11	66.42

A. Banking Group wise Growth in Deposits

As evident from the following table Private Sector Banks (**44.53 %**) followed by State Bank Group (**30.83%**) has the highest share in growth of deposits among the Commercial Banks in the State during the fiscal 2013-14.

Banking Group wise Growth in Deposits

(Rs. in Crores)

Banking group	Total Deposits		% Share in Total Deposits (March'14)	Variation (March'13-March'14)	% Share in Growth
	March 2013	March 2014			
State Bank Group	78579	94151	33.67	15572	30.83
Nationalised Banks	63986	75598	27.03	11612	22.99
RRB	6830	7663	2.74	833	1.65
Private Sector Banks	79753	102242	36.56	22489	44.53
TOTAL	229148	279654	100	50506	100

Banking Group wise comparison reveals that **36.56 %** of the deposits in the State is with Private Banks, which has got a **33.68%** share in branch network. Public Sector banks, which have **66.31 %** of the branch network in the State, have a share of **63.44 %** in total deposits. RRB, in spite of having a share of **9.41 %** of the branch network has only **2.74 %** share in total deposits of the State.

B. Population GroupWise/Banking Group Wise Distribution of Deposits

Population Group wise Distribution of deposits

(Rs. in Crores)

Banking Group	Total deposits				Percentage Distribution				Share of Banking Group in Total Deposits
	Rural	Semi-Urban	Urban	Total	Rural	Semi-Urban	Urban	Total	
State Bank Group	3131	54220	36800	94151	3.33	57.59	39.08	100	33.67
Nationalised Banks	2431	39531	33636	75598	3.22	52.29	44.49	100	27.03
RRB	924	5309	1430	7663	12.06	69.28	18.66	100	2.74
Private Sector Banks	4350	55798	42094	102242	4.26	54.57	41.17	100	36.56
TOTAL	10836	154858	113960	279654	3.87	55.37	40.76	100	100

As evident from the above table, **55.37 %** of the total deposits of the State is from semi-urban areas where **69.55 %** of the branch network exists. Urban areas accounted for **40.76 %** of the deposits and rural areas, **3.87 %**. On a comparison with March 2013 position, it is found that the share of semi urban urban and rural branches in total deposits is showing a slight decreasing trend. The urban branches have shown an increasing trend in deposits.

6.4. NR Deposits (Refer Annexure 7.2)

The NR Deposits have registered an increase of **Rs. 27693 crores** from the March 2013 level. The NR deposits of the State that stood at **Rs. 93883 crores** as at March 2014 up from the level of **Rs. 66190 crores** as at March 2013. The year-on-year growth rate of **41.84 %**.

Population Group wise /Banking Group wise Distribution of NR Deposits

(Rs. in Crores)

Banking Group	N R Deposits				Percentage Distribution				Share of Banking Group in Total NR Deposits
	Rural	Semi-Urban	Urban	Total	Rural	Semi-Urban	Urban	Total	
State Bank Group	933	21577	12507	35017	2.66	61.62	35.72	100	37.30
Nationalised Banks	547	12021	6454	19022	2.88	63.19	33.93	100	20.26
RRB	40	215	21	276	14.49	77.90	7.61	100	0.29
Private Sector Banks	1465	24017	14086	39568	3.70	60.70	35.60	100	42.15
TOTAL	2985	57830	33068	93883	3.18	61.60	35.22	100	100

Private Sector Banks has the highest share (**42.15 %**) in the NR deposits from the State followed by State Bank Group (**37.30 %**) and Nationalised Banks (**20.26 %**). Of the total Non-Resident deposits, **61.60 %** deposits were from Semi Urban areas while Urban areas accounted for **35.22%** and rural areas **3.18%**.

6.5. Domestic Deposits

The growth in domestic deposits during the fiscal 2013-14 (**Rs. 22814 crore**) was greater than the quantum growth during the previous fiscal (**Rs. 13855 crore**).

Share of Domestic Deposits in Total Deposits (%)

March 2005	March 2006	March 2007	March 2008	March 2009	March 2010	March 2011	March 2012	March 2013	March 2014
58.04	60.51	63.68	71.67	71.60	74.28	76.67	75.47	71.11	66.42

As at March 2015, domestic deposits accounted for **66.42%** of the total deposits.

The year-on-year growth rate in domestic deposits in 2013-14 was **14 %** compared to a growth rate of **9.29 %** recorded in 2012-13.

Growth Rate in Domestic Deposits during last 8 years (%)

2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
24.23	29.46	19.00	14.13	12.66	20.37	9.29	14.00

6.6. Credit Expansion (Refer Annexure 7.2)

Growth in Advances of the Banking sector in the State

(Rs. in Crores)

Parameter	Total Advances Outstanding over the Years									
	March 2005	March 2006	March 2007	March 2008	March 2009	March 2010	March 2011	March 2012	March 2013	March 2014
Total Advances	40948	51919	64273	75305	82819	96987	121980	149293	175087	192010
% Growth over the previous fiscal	28.50	26.79	23.79	17.16	9.97	17.11	25.77	22.39	17.28	9.67

During the fiscal 2013-14, the total advances grew by **Rs. 16923 crores** to reach **Rs. 192010 crores** as at March 2014, recording a growth rate of **9.67%**. The growth rate under advances has come down from the level of **17.28 %** recorded during 2012-13.

Share of Banking Groups in Total Advances of the State

Nationalised Banks have the highest share (**34.23%**) in the total advances outstanding in the State followed by the Private Sector Banks (**31.16%**). State Bank Group accounted for **29.90 %** of the total advances against a **22.73%** share in total branch network.

(Rs. in Crores)

Banking Group	Total Advances				Percentage Distribution				Share (%) in Total Advances
	Rural	Semi- Urban	Urban	Total	Rural	Semi- Urban	Urban	Total	
State Bank Group	3797	30361	23244	57402	6.61	52.89	40.50	100	29.90
Nationalised Banks	2149	29988	33591	65728	3.27	45.62	51.11	100	34.23
RRB	1313	6815	913	9041	14.52	75.38	10.10	100	4.71
Private Sector Banks	1853	25602	32384	59839	3.10	42.78	54.12	100	31.16
TOTAL	9112	92766	90132	192010	4.75	48.31	46.94	100	100

Further, **48.31%** of the total advances in the State is to Semi-Urban areas where **69.55%** of the branch network exists. Urban areas had **46.94 %** share in total advances against a share of **22.84 %** in branch network. Rural areas had a share of **4.75 %** only in the total advances deployed in the State where as they hold a share of **7.61 %** in total commercial branch network.

6.7. Credit-Deposit Ratio [C D Ratio] (Refer Annexure 7.3)

The Credit-Deposit Ratio of the Commercial Banking sector of the State has decreased by **775 basis points** during 2013-14 to reach **68.66%** as at March 2014.

Banking Group wise C D ratio as at March 2014

Banking Group	C D Ratio - Percentage Distribution			
	Rural	Semi-Urban	Urban	Total
State Bank Group	121.27	56	63.16	60.97
Nationalised Banks	88.37	75.86	99.87	86.94
RRB	142.18	128.37	63.84	117.99
Private Sector Banks	42.61	45.88	76.93	58.53
TOTAL	84.09	59.90	79.09	68.66

The C D Ratio of Rural & Urban areas of the State is much above the mandatory norm of **60%**. In Semi urban areas C D Ratio is marginally below **60%**. Further, the Rural areas have a high CD ratio of **84.09%**. For the State as a whole the CD ratio is **68.66%**.

The C D ratio of RRB is the highest at **117.99 %**. Further, the CD ratios of all the bank groups viz. State Bank Group, Nationalised Banks and RRB are above the desired level of 60% in the State. In rural areas, all the Public Sector Banks have shown a better C D Ratio level well above the RBI stipulated benchmark of 60 %. Private Sector Banks have shown a C D Ratio of **42.61%** and **45.88%** in Rural and Semi-Urban centres respectively which needs further improvement.

6.8. Credit + Investment: Deposit ratio (C+I: D ratio) (Refer Annexure 7.3)

The C+I D ratio of the Commercial Banking Sector of the State as at March 2014 stood at **72.59%**. There is a decrease of 628 basis point from the level of **78.87 %** as at March 2013 to the present level of 72.59 % as at March 2014.

Incremental CD Ratio

Reporting Quarter	Deposits (Rs. in crores)	Advances (Rs. in crores)	CD Ratio	Incremental CD Ratio
March 2009	130350	82818	63.54	30.22
March 2010	143404	96987	67.63	108.53
March 2011	161562	121981	75.50	137.65
March 2012	197557	149293	75.57	75.87
March 2013	229148	175087	76.41	81.65
June 2013	239214	174331	72.88	75.13
September 2013	252338	181166	71.80	57.52
December 2013	267133	183583	68.72	22.37
March 2014	279655	192010	68.66	33.51

From the above table it is evident that during the last year, 2013-14, the incremental CD ratio was on a much lower side compared to the CD Ratio of the State. This means that the Deposit growth is much more than the rate of growth of Credit or there is a temporary mismatch in credit and deposit growth. In the current financial year, the incremental credit-deposit (CD) ratio for the quarter ending March 2014 stood only at **33.51 %** for the banking system of the State. Here it is pertinent to mention that the Y-o-Y growth under Deposits as at March 2014 was **22.04%** whereas that of Credit was only **9.67%**. Incremental CD ratio had fallen to the lowest level since last four years which is a concern.

7. Annexures