

**State Level Bankers' Committee (SLBC), Kerala**  
**STATE LEVEL REVIEW MEETING (SLRM) 2013**  
**Minutes of the Meeting held on 25<sup>th</sup> & 26<sup>th</sup> June, 2013**  
**at Hotel Residency Tower, Trivandrum**

**DELIBERATIONS ON 25<sup>th</sup> JUNE, 2013**

**OPENING SESSION OF SLRM 2013**

The meeting commenced at 10 a.m. with **Sri. G. Sreeram**, General Manager, Canara Bank and Convenor SLBC in the Chair.

**Sri. C. G. Nair**, Deputy General Manager, Canara Bank welcomed the participants to the Opening Session of the two-day Review Meeting.

**Sri. G. Sreeram**, General Manager, Canara Bank and Convenor SLBC, in his presidential address informed that State Level Review Meeting of SLBC, Kerala is a very important meeting in the annual calendar of SLBC where a threadbare review of the progress made by the Banking sector of the State for the previous fiscal, under various vital sub sectors of Priority credit and Government sponsored programmes is done. Following were the highlights in his address.

- He reminded the forum that this committee is expected to discuss issues, consider alternative solutions to the various problems in the field for balanced development and evolve a consensus for coordinated action by the member institutions. He requested the member institutions to approach the Committee's task in a spirit of co-ordination and intimate involvement.
- The two days meeting is of utmost importance since the three groups formed on Primary, Secondary and Tertiary sector would be dealing in depth, the review of performances under the respective sectors, discusses all the new as well as the pending issues confronting the development of Banking sector of the State. He exhorted members to show the world that the social development that the state has achieved is sustainable and becomes a springboard for entering a higher trajectory of economic development through the vibrant banking sector. He requested the participants to come up with proactive suggestions which when implemented in the right spirit benefits the marginalized and underprivileged in getting the true benefits of quality banking.
- He expressed satisfaction over the matter that all 14 districts have launched their credit plans for the current fiscal, ie, 2013-14 well in time. He congratulated all the banks especially the Lead District Managers for this splendid achievement. He informed that the State credit plan aims for disbursing Rs. 80463 crores during the current fiscal of which Rs. 34736 crores would be to Agriculture sector.
- He requested all the member institutions to approach the group discussions in a spirit of co-ordination and intimate involvement. He then invited the attention of the forum to some of the important issues that warrant intense attention and proactive approach by the group members:

- Implementation of DBT in the State.
  - Commencement of Banking Services through Common Service Centres (CSCs) as per Sub Service Area approach.
  - Popularisation of KCCs/ Rupay Cards in the State.
  - Low share of investment credit under Agriculture
  - Ways and means to increase investment credit.
  - Low credit flow to SME sector.
  - Issues pertaining to Education Loans.
  - Identification and nursing of sick SME units.
  - Popularising CGTMSE scheme in the State.
  - Credit Linkage of JLGs
  - Successful implementation of Govt sponsored schemes.
  - Poor recovery climate prevailing in some pockets of the state.
  - Strategies to improve the flow of MIS to LDMs & SLBC
- With the above points in mind he requested the members of the group to understand the importance of their role play and participate actively in the deliberations and come up with constructive recommendations in the plenary session of the meeting.
  - He expressed satisfaction over the fact that credit to the thrust areas and sensitive segments in the State has been showing good improvement in the recent years. The growth rates of Deposits, Advances & Priority sector in the State during the last financial year was 16 %, 17 % & 16 % respectively. The growth rate of Deposits as well as Advances in the state was more than the all India average growth rate of 14 %. The CD ratio of the State had crossed 76% for the first time ever.
  - He thanked the State Government for the excellent co-operation and support extended to Banks in the State.

While concluding, Sri. G. Sreeram welcomed all the participants to the opening session of the SLRM and solicited continued co-operation, support and involvement in the smooth conduct of the meeting.

**Sri. K. Santhakumar**, Deputy General Manager, Reserve Bank of India, in his address informed that it would be an opportunity for bankers to interact each other with greater involvement in the group discussion session so as to emerge with new ideas for building the economy of the State. He then touched upon the following points.

- Financial Inclusion shall be the main focus - Inclusive growth can be brought out for which credit flow need to be enhanced.
- Agriculture Gold Loan – Benefit under the scheme to be extended only to the deserving persons so as to avoid bad implications under the scheme.
- DBT to be successfully implemented in the State with involvement of banks and concerned Departments.
- Credit flow to SME sector need to be increased in the context of the slowing economy in the Country. Credit flow to manufacturing sector, entrepreneurship etc. to be enhanced / promoted.
- Banks to establish FLCs in all blocks within the stipulated time and ensure its smooth functioning.

**Sri. Vinod C**, Assistant General Manager, NABARD, in his remarks pointed out that, concerned groups shall come out with strategies which can be adopted for the current year to achieve targets under various sectors. He suggested that main focus shall be to develop the plan for the overall development of the State. He then wished all the success for the deliberations in the group discussion session.

**Sri. C. G. Nair**, Deputy General Manager, Canara Bank then briefed the forum regarding the Group Discussion session – the objectives, role play, report preparation, presentation and the expectations from the group.

### **GROUP DISCUSSION SESSION**

The forum was then segregated to 3 groups for discussions on issues related to Primary, Secondary and Tertiary Sector. The session commenced at 11.30 a.m. and extended up to 6 pm. The reports of the groups were prepared and presented in the plenary session on 26<sup>th</sup> June, 2013.

<b>DELIBERATIONS ON 26<sup>th</sup> June, 2013</b>
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<b>PLENARY SESSION</b>
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The plenary session of the State Level Review Meeting of SLBC Kerala commenced at 10 a.m. with **Sri. R. K. Dubey**, Chairman & Managing Director of Canara Bank in the chair.

**Sri. G. Sreeram**, General Manager, Canara Bank & Convenor, SLBC Kerala, welcomed the dignitaries on the dais and off the dais to the Plenary Session of the annual State Level Review Meeting (SLRM) of SLBC Kerala.

**Sri. R. K. Dubey**, Chairman & Managing Director of Canara Bank in his presidential address expressed happiness over the matter that field level executives from banks and officers from Government Departments & Other agencies have reviewed the sector wise performance under Annual Credit Plan-2012-13 in detail and deliberated on the steps to be taken for further improvement in the Group Discussions conducted on the first day.

He complimented SLBC, all Banks and Government Departments in the state for the achievements made during 2012-13 and also highlighted the concern areas.

- State had achieved Annual Credit Plan target by disbursing Rs.76882 crores to priority sector as against the target of Rs.67124 crores.
- Opened 368 new branches, approximately a branch a day. Now state has one bank branch for every 6300 persons as against all India average of 12000.
- Deposits of commercial banks grew by 16% and advances by 17.28%.
- CD ratio has increased by 84 basis points from the level of 75.57% as at March 2012 to 76.41 % by March 2013.

- State performance (Commercial Banks) under credit to priority sector to agriculture and weaker sections is well above the mandatory levels of 40%, 18% & 10% respectively (actuals – 57%, 26%, 20 %).
- Extended banking facilities to all the 120 Financial Inclusion villages identified.
- Successfully implementing Direct Benefit Transfer scheme in Wayanad and Pathanamthitta districts under Phase-I.
- District Credit Plans for the current year have been launched by the LDM well in time. Annual Credit Plan for 2013-14 has projected a credit outlay of Rs. 80463 crores under priority sector, which is 20% more than previous year target of Rs.67124 crores.
- The State has shown a Y-o-Y growth rate of 15% under Education loan portfolio with an outstanding level of Rs.8139 crores

Sri. Dubey congratulated SLBC Kerala for its achievements in the financial inclusion front, quoting the new index of financial inclusion prepared by rating agency Crisil. Kerala is finding a place among the top three States in the country. Further many districts of the state are among the top Districts of the country. He exhorted bankers that this index would enable bankers to identify priorities to improve financial inclusion and also measure the progress made by them.

He noted that during the current year, Kerala has received 72% surplus rainfall over the normal, since the onset of south west monsoon from 1<sup>st</sup> June. Previous year there was deficit rainfall which led to declaration of drought in all the 14 Districts of the State. He also expressed hope that power supply situation is likely to improve.

Sri. Dubey then highlighted the areas which need immediate focus of the forum:

➤ Financial Inclusion

In the meeting of RBI Deputy Governor with CEOs of major banks the progress in Financial Inclusion was reviewed. RBI had made things very clear that the financial inclusion does not end in adding accounts but in making them operative by extending credit, remittance and micro insurance facilities.

In built Overdraft facilities advised by RBI is to be extended in large numbers for financial inclusion accounts. He suggested SLBC to collect data on in built ODs given by banks for review in regular SLBC meetings.

➤ Direct Benefit Transfer

11 out of 14 districts in Kerala are identified for implementation of DBT. Wayanad and Pattanamthitta were identified under Phase-I. The remaining 9 districts identified under Phase II are expected to roll out DBT from 01.07.2013.

While reviewing the progress, he observed that details of nearly 1 lakh beneficiaries are yet to be given by Government Departments to LDMs. Seeding of Aadhaar number is also very less, as against 2.78 lakhs accounts opened. He advised SLBC to present data

regarding Aadhaar number seeded and debit cards issued in the SLBC meetings in future. Further the State administration has to digitize the database of the beneficiaries and update it regularly as per the guidelines of the Planning Commission.

He then appealed to the State Administration and Banks to multiply the number of camps conducted and cover all the beneficiaries with account number, debit card and Aadhaar.

He exhorted that payment infrastructure of the district is to be strengthened by banks by engaging Business Correspondents as per the Sub Service area mapping and make them functional. He noted that Banks have installed 492 ATMs during 2012-13 taking the total number of ATMs to 4874 as against 5279 branches. He reminded the forum that as per the directives of the Ministry of Finance, each rural and semi urban branch should have an ATM and banks need to focus on this.

He noted that SLBC has conducted a DBT Sub-Committee meeting on 04.06.2013, which had reviewed the progress in detail and drawn action points with specific timelines and requested members for complying with the same.

He informed the forum that Executive Directors of Canara Bank had visited their Lead Districts implementing DBT and held one-to-one interaction with the Dist Collectors followed by a detailed review in Special DCC Meetings. He then urged other bankers having Lead District responsibilities to take similar steps in the respective Lead Districts.

➤ Credit Deployment

He noted that major share of agriculture lending in the State is going to production credit and there is a need to build up investment credit. Agriculture term loans need to be focused and increased.

He expressed his concern over the performance under Secondary Sector, wherein State could achieve only 78.07% of ACP Target by disbursing Rs.3675 crores as against target of Rs.4708 crores. Kerala State Self Entrepreneur Development Mission (KSEDM) being a very good avenue for improving Credit flow to secondary sector, he requested all banker colleagues to extend financial assistance to needy entrepreneurs for setting up micro and small enterprises.

He noted that certain recommendations made by SLBC to State Govt if considered favourably and implemented, would enable increased credit flow to Agriculture term loans, Micro & Small Enterprise and also improve recovery performance of Banks. Sri. Dubey urged the senior officers of State Government, present to fast forward the process of consideration and take steps for early implementation.

He came out with a few suggestions that include:

- Stamp duty exemption for agriculture loans availed from commercial Banks - (similar to the facilities given to the Co-operative Banks) which would boost agriculture investment credit.

- Computerization of land records, with facilities for online charge creation. ( This facility is already available in Karnataka, under Bhoomi Project)
- Stamp duty waiver on loans to Self Help Groups.
- Permission to create mortgage, on land allotted by government in industrial parks to entrepreneurs, as permission is presently given only for creating mortgage on super structure built on the land.
- Extending facilities of permanent Lok Adalats to Banks for expeditious recovery of small loan accounts, by compromise settlement.

He informed that these facilities exist in neighbouring state of Karnataka & Andhra Pradesh and have helped the banks to improve their performance.

Sri. Dubey then suggested SLBC to present Action Taken Report as the 1<sup>st</sup> Agenda in all the meetings henceforth.

Sri. Dubey thanked the State Government and various developmental agencies for the excellent support and co-operation rendered to the banking sector in the State. He also thanked Reserve Bank of India and NABARD for the guidance and support given to the SLBC and all the banks.

The house then proceeded to consider the presentation of the groups and the agenda items. **Sri. G. Sreeram**, General Manager, Canara Bank & Convenor, SLBC Kerala guided the proceedings.

## **1. ADOPTION OF MINUTES**

The forum adopted the minutes of the 109<sup>th</sup> meeting of SLBC, Kerala held on 26<sup>th</sup> March, 2013, which was forwarded to the members vide Convener's letter SLBC 35 137 2013 KRA dated 06.04.2013 without any amendments.

Thereafter, the leaders of the group were invited to present the reports and recommendations for consideration and deliberations of the house.

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

(**Sri. Vinod C**, AGM, NABARD, the leader of Group-I presented the report of the group).

### **2.1. Review of Performance under Annual Credit Plan 2012-2013**

The Group noted the performance under Primary sector as follows:

- Priority Sector Target - Rs.67125 crore
- Priority Sector Achievement - Rs. 76882 crore (115%)
- Primary Sector Target - Rs.30064 crore
- Primary Sector Achievement - Rs.37710 crore (125%)
- 8% growth in credit flow to agriculture over previous year
- 49% of Priority sector advances was to Primary sector

### **2.1.1. Bank wise Performance – Primary Sector**

The Group noted that the following banks had put up a good show under primary sector

- SBT - Rs.5181 crore, Canara Bank - Rs.4767 crore
- SBI - Rs.2513 crore, Federal Bank - Rs.2314 crore
- RRBs - Rs.3373 crore, Co-operatives - Rs.8556 crore

The Group also noted that 5 of the major banks viz. Bank of India, IOB, Catholic Syrian Bank, South Indian Bank & Axis Bank, though having a branch network of more than 50 branches, did not achieve the Primary sector target and exhorted all banks to achieve their targets during the current financial year.

***(Action: All Banks, LDMs to closely monitor in respective Districts)***

### **2.1.2. District wise Performance under Primary Sector**

The Group noted the performance of Districts:

- Thrissur - Rs. 10084 crore
- Ernakulam - Rs.8495 crore
- Kannur - 180.65% of the target ie Rs.2698 crore
- Trivandrum - 86% of the target ie Rs.2421 crore
- Kollam - 95% of the target ie Rs.3747 crore

*The forum advised that for the current year, LDMs to monitor the performance closely from beginning itself and ensure achievement of targets.*

***(Action: LDMs)***

### **2.2. Agriculture Advances**

The Group noted the performance as follows:

- Crop loan - Rs.32651 crore - (87% of agriculture advances & 136% of the target)
- Agri Term Loan - Rs.5059 crore - (13% of agriculture advances & 84% of the target)
- Agricultural advances outstanding as at the end of March 2013 - Rs. 45055 crore (25.73% of total advances outstanding ) - Growth rate over previous year 24.43%
- 49% of total advances of RRBs is agriculture advances as compared to 32% of nationalized banks and 25% of State Bank Group

*The forum noted the performance and advised to increase the term lending under Agriculture by exploring the available avenues.*

***(Action: Banks)***

### **2.3. Performance under Kisan Credit Card Scheme**

The Group observed that:

- 3.84 lakh cards during 2012-13
- Rs.4743 crore under KCC
- Outstanding KCC - 16.92 lakh cards - Rs.8323 crore
- PAIS coverage - 3.63 lakh (21%)

*The forum advised that once the registered farmers list is shared by Agriculture Department with banks, 100% coverage of farmers with KCC/Agri Credit facility to be ensured.*

***(Action: Banks)***

### **2.4. Agri-Clinics and Agri Business Centres**

*The forum noted the performance of banks under these schemes.*

### **2.5. FRESH ISSUES**

#### **2.5.1. Target for Agriculture credit for 2013-14 advised by Government of India (Suggested by NABARD)**

The Group observed that:

- The crop loan and term loan targets for 2013-14 as per State Credit Plan Rs.23547 crore and Rs.11189 crore .Government of India Target for the same is Rs.20500 crore and Rs.11135 crore which is less than State Credit Plan
- Hence there is no need to reallocate the target.

*Forum concurred with the views of the group and decided to **drop** the agenda.*

### **2.6. PENDING ISSUES IN SLBC & ACTION TAKEN REPORT**

#### **2.6.1. Allocation of Agri. Term Loan (ATL) - Agency-wise target -2012-13**

The forum noted that District level subcommittee meetings as directed by Agriculture Production commissioner are being conducted across the state by respective LDMs. Forum further advised that:

- 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 DCC/DLRC meetings.

***(Action: LDMs/DDMs/Banks/Field Departments led by Agriculture)***

### **2.6.2. Stamp Duty exemption for Agricultural loans availed from Commercial Banks**

The forum noted that commercial Taxes Department is yet to convey their decision on stamp duty exemption for agricultural loans availed from commercial banks

*Sri. K. R. Jyothilal IAS, Secretary, Agriculture Department, Government of Kerala informed that the matter is misinterpreted by Finance Department. He assured the forum to take up the matter with Finance/Taxes Department, Government of Kerala.*

***(Action: Taxes Department/ Agriculture Department)***

### **2.6.3. Widening and deepening the spread of Kisan Credit Card (KCC)**

The Group suggested the following:

- a) Creating awareness about RUPAY KCC and its utilization
- b) Increase the coverage of PAIS through awareness
- c) Increase the sum assured under PAIS from Rs.50000/- to Rs.1 lakh
- d) Initiating steps to share the database of Agriculture Department on registered farmers to ensure 100% coverage of KCC
- e) Registration of farmers to be an ongoing process

*Sri. K. R. Jyothilal IAS, Secretary, Agriculture Department, Government of Kerala informed that the data of 14 lakh registered farmers have been compiled by the Department. He told that after a meeting with SLBC Convenor exclusively on this, Department would share the database to banks. He added that Agriculture Department has extended the time for registration by farmers. He exhorted banks to ensure 100% coverage of the registered farmers through Term Loan or crop loan. He informed that henceforth Government would focus their subsidies only to this targeted group of registered farmers.*

*He also requested that free Rupay cards are to be provided to all KCC holders and then shall cover all 14 lakh farmers.*

***(Action: Agriculture Department/SLBC/Banks/LDMs)***

### **2.6.4. Debt Relief Scheme for Fishermen - Government proposal for extending relief to loans availed from Nationalized/ Scheduled Banks**

*The group recommended that complete list of eligible beneficiaries to be provided to bankers for taking a decision on extending relief.*

*However after the deliberations it was decided that Banks shall consider the currently available partially completed list and convey their decisions on the same without waiting for the complete list.*

***(Action: Kerala Fishermen Debt Relief Commission/ Banks)***

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

*On the matter, Sri. Amalorpavanathan, Chief General Manager, NABARD informed that Government of India had made it very clear that the role of ARDB's is in term lending under Agriculture and hence their request could not be considered favourably. Further the situation is same for all the ARDB's in the country and no special treatment would be given for Kerala alone.*

*In view of this clarification the forum decided to **drop** the agenda.*

### **2.6.6. Introduction of a Credit Guarantee Scheme for Agriculture Term Loans similar to CGTMSE**

The Group recommended that the facility should be extended to Agriculture Term Loans.

*Sri. K. R. Jyothilal IAS, Secretary, Agriculture Department, Government of Kerala also concurred that introduction of Credit guarantee scheme would be beneficial for farmers.*

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

**(Action: SLBC/ Ministry of Finance, Government of India)**

## **2.7. INFORMATION NOTE**

### **2.7.1. Implementation of Weather Based Crop Insurance Scheme (WBCIS) & National Agriculture Insurance Scheme (NAIS) during this Kharif 2013 season in Kerala State – Note by Agriculture Insurance Company of India Ltd. (AICIL)**

*Sri. K. R. Jyothilal IAS, Secretary, Agriculture Department, Government of Kerala informed that Weather Based Crop Insurance Scheme for 17 crops has been notified. The copy of notification is likely to be issued within two days and would circulate the same to banks. Government already had a discussion with some of the Insurance companies on another comprehensive Insurance Scheme which may take some more time. This insurance scheme would be something like an income guarantee scheme for the farmer which takes care of crop loss due to floods, pest, disease, weather changes and even price fall of commodities/ farm produce.*

*The forum decided that the guidelines issued by AICIL to be implemented by the Banks. AICIL shall also initiate steps to popularize the scheme among farmers.*

**(Action: Banks/AICIL)**

### **2.7.2 Recommendations for promoting Investment Credit (Suggested by the Primary Group)**

- a) Extending interest subvention to investment credit in agriculture (ie Agriculture term loans)
- b) Waiving of Electricity charges / Panchayat Building tax for Green houses / poly houses.
- c) Extending insurance to green houses / poly houses through a customized policy
- d) Liberal approach to regulatory / statutory issues related to agriculture and allied sector activities
- e) Addition of a bio gas unit / waste management system for a dairy unit of more than 5 animals instead of mandatory pollution certificate from the LSG Department.
- f) Additional incentive by way of subsidy for the Bio-gas units / Waste management units
- g) Extension of subsidy schemes and consistency in implementation of credit linked subsidy schemes
- h) Convergence of schemes of the Government and involvement of bank credit in the schemes
- i) Promotion of allied sectors like duck / rabbit rearing, fish farming etc.
- j) Shift from target oriented approach in agriculture credit
- k) Interest subvention to be extended only to crop loans through KCC. ie. Gold loans are to be excluded from the purview of interest subvention.
- l) Dual / Multiple financing should be avoided while extending finance to SHGs /JLGs

*The forum noted these suggestions and advised to bring these to the notice of policy makers/ Government/ RBI/ NABARD.*

***(Action: SLBC Cell)***

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

**(Sri. T. A. Saji Kumar, LDM, Malappuram, the leader of Group-II presented the report of the group).**

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

The group felt that the target fixed should be realistic and in tune with the PLP prepared by NABARD. Branches and Controlling offices of Banks should have the expertise to process proposals under MSME.

#### **3.2. Review of Disbursements to Secondary Sector under ACP**

The Branches should ensure that disbursements under Secondary Sector are properly classified while reporting in LBR. The Branches should be sensitized in the selection of proper codes for reporting. District level workshop for Bankers should be conducted for proper LBR Code classification.

***(Action: LDMs)***

### **3.3. Performance under Outstanding Advances in SME sector**

#### **3.3.1. Performance under SME Advances under priority sector**

To improve the performance under SME Advances, the following action plan is drawn.

- Entrepreneur Awareness Programme (EAP) should be conducted at Block level and District level.
- Investors Meet at District and Taluk level to be organized.
- General Awareness Meet at Block level for the elected members of the local body.  
*(Action: DIC in Co-ordination with LDMs)*
- Wide publicity should be given for the CGTMSE cover. *(Action: Banks)*
- FLC also should be involved for promoting SME sector.
- EDP Training programmes to be conducted at various levels. For this, RSETIs in the district should be given importance.
- Skill Development Training programmes should be conducted with the involvement of government agencies and RSETIs.
- Separate Skill Training for employability.
- Technology Clinics and Incubation Centres to be organized.
- Vendors Development Meet. *(Action: Government / Industries Department)*
- Exhibitions for enhancing marketing and technology transfer.
- Single Window clearance Board to be strengthened with statutory powers.  
*(Action: Industries Department)*
- MSME empowered committee to meet periodically with full participation of all the stake holders. *(Action: LDMs)*
- Banks to clear MSME proposals within the time frame stipulated by RBI.
- The sickness in MSME should be identified in the initial stage itself and nursing programme should be initiated immediately. *(Action: Banks)*

#### **3.3.2. Small and Medium Enterprises (SME) Advances**

The Controlling offices of Banks should give Branch-wise targets and review the performance periodically.

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

The Controlling offices of Banks should review the adherence of the above guidelines. This should also form an important item in DLRC Meeting.

*(Action: LDMs)*

### **3.4. Performance under Government Sponsored Schemes**

#### **3.4.1. Swarna Jayanthi Shahari Rozgar Yojana (SJSRY) as at March 2013**

At present, the Lead Banks are not aware of the targets and mobilization of applications by the Municipalities/Corporation. There should be better co-ordination between the implementing agency and the Lead Bank for better performance.

*(Action: LDMs/ Kudumbashree)*

#### **3.4.2. Swarnajayanthi Gram Swarozgar Yojana (SGSY) - Performance as at March 2013**

The Controlling offices of Banks should ensure that the pending applications are disposed of immediately by Branches, wherever subsidy amount is already received. There are cases where Banks have financed but subsidy is not received yet. The PAU should intervene in the matter and see that subsidy amount is disbursed to Banks at the earliest.

The forum noted that the scheme is no more in force and advised that wherever subsidy is pending receipt, banks to take up with respective Project Director, PAU, DRDA through LDMs.

*(Action: Banks/ LDMs/ Project Director, PAU, DRDA)*

#### **3.4.3. Performance under PMEGP as at March 2013**

Previous year, there was delay in giving sanction and disbursing PMEGP loans. Current year, the implementing agency should ensure that applications are forwarded to Banks sufficiently early and all the disbursements are completed by end of December. Till the E-Tracking related procedures are streamlined, the Banks are requested not to return the applications received.

*(Action: Banks, KVIC, KVIB & DIC)*

### **3.5. Performance under Micro-credit**

The group recommended that Bank-wise and Branch-wise targets should be given for lending to SHG and should be reviewed in BLBC and DLRC Meetings.

The forum also noted that as part of the 100% linkage campaign, M/s. Kudumbashree is in the process of identifying the NHGs that had already completed 6 months but yet to be graded and linked. Kudumbashree would be finalising the bank wise branch wise targets which will be communicated to SLBC cell for circulation among banks. Banks' to allocate this target to their branches and handhold with M/s. Kudumbashree for ensuring 100% coverage of eligible NHGs on merits.

Similarly banks should also come forward to link all the eligible SHGs conforming to norms formed by various NGOs/branches directly.

*(Action: SLBC Cell/ Banks/ Kudumbashree)*

### **3.6. Performance of other Institutions under SME financing (Outstanding) as at March 2013**

The forum advised that KSIDC, KFC and SIDBI may improve their performance taking into account the need of the hour.

### **3.7. Performance of other Institutions under SME financing (Disbursement) as at March 2013**

The forum advised that KSIDC, KFC and SIDBI may improve their performance taking into account the need of the hour.

*(Action: SIDBI/ KFC/KSIDC)*

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

The forum noted the suggestions given by the group:

- The guarantee fee and annual service charges to be reduced.
- The Corporation/respective Banks should bear the charges.
- There should be relaxation in Lock in period fixed by CGTMSE for settling claims.
- Block level awareness camp for Bankers and Entrepreneurs should be conducted with the support of DIC. *(Action: DIC/LDM)*

### **3.9. Review of Performance under Special Focus Programmes**

#### **3.9.1. Swarozgar Credit Card Scheme**

Bank-wise and Branch-wise targets are to be fixed and periodically reviewed by Controlling offices of banks and in the DLRC Meetings. The data in this regard should be sent to Lead Bank Office in advance by the controlling offices.

*(Action: Banks/LDMs)*

#### **3.9.2. Artisans Credit Card Scheme**

Bank-wise and Branch-wise targets are to be fixed and periodically reviewed by Controlling offices of banks and in the DLRC Meetings. The data in this regard should be sent to Lead Bank Office in advance by the Controlling offices of banks. Artisans Development Corporation (ADC) should mobilise applications and forward them to the Banks.

*(Action: Banks/LDMs/ ADC)*

#### **3.9.3. Laghu Udhyaami Credit Cards**

Bank-wise and Branch-wise targets are to be fixed and periodically reviewed by Controlling offices of Banks and in the DLRC Meetings. The data in this regard should be sent to Lead Bank Office in advance by the Controlling offices of banks.

*(Action: Banks/LDMs)*

### **3.9.4. Performance under General Credit Card Scheme**

Bank-wise and Branch-wise targets are to be fixed and periodically reviewed by Controlling offices of Banks and in the DLRC Meetings. The data in this regard should be sent to Lead Bank Office in advance by the Controlling offices of banks. As part of financial inclusion programme, Banks should popularize the scheme for inclusive growth.

*(Action: Banks/LDMs)*

### **3.10. Advances to Weaker Section**

Proper reporting should be done by controlling offices of banks and also ensure data integrity as wide variation is observed from quarter to quarter.

*(Action: Banks)*

### **3.11. Advances to SC/STs**

District level and Block level officers of department of SC & ST should attend District level and Block level Bankers Meeting. They should help the Government agencies to identify beneficiaries under various government sponsored schemes. The disbursements made to SC & ST should be reviewed in DLRC and the required data should be forwarded by the Controlling offices of Banks to Lead Banks.

*(Action: SC/ST Development Department/ Banks/LDMs)*

### **3.12. DRI Advances**

Bank-wise and Branch-wise targets are to be fixed and periodically reviewed by Controlling offices of Banks and in the DLRC Meetings. The data in this regard should be sent to Lead Bank Office in advance by the Controlling offices of Banks. Kudumbasree set up should be utilized for identifying beneficiaries under DRI scheme.

*(Action: Banks/LDMs)*

### **3.13. Credit Flow to Minority Communities**

The forum requested all banks that the Government guidelines to be adhered to.

### **3.14. PENDING ISSUES IN SLBC & ACTION TAKEN REPORT**

#### **3.14.1. Weavers Credit Card - Progress in implementation**

*The forum noted that the selection of beneficiaries should be done in camp mode, involving Banks and Departments concerned. Pending proposals should be cleared by all Bank Branches within the time frame stipulated by RBI for Priority Sector. For that, necessary instructions should be given by controlling offices of Banks.*

*Sri. Sam C. Ittycheria, Director, Handloom & Textiles informed that 5364 applications are still pending with banks. Banks have rejected nearly 4500 applications. Banks are rejecting applications by simply mentioning the reason as unviable and in some cases even without assigning any reasons. If the reasons are like applicant is not genuine or party is not intending to pursue the activity by availing loan, the same is understandable. Some banks are not accepting the identity card issued to the weaver by the DIC General Manager. He requested banks that wherever the applications are not viable the same are to be returned to the Directorate stating the specific reasons.*

*Banks like SBT and SBI had informed that letters sent to weavers requesting to call on the branch are getting returned. For this Director handloom had replied that the applications are accompanied by copy of weaver's identity card which contains the correct address and hence chances of such rejections/returns are less. However he assured to look into the matter.*

*Sri. Salim Gangadharan, Regional Director, Reserve Bank of India expressed his displeasure over the poor progress made by banks even after extending the deadlines for clearing the pending loan applications many times. He requested the Directorate of Handloom & Textiles to study 10 rejection cases under the scheme in random and share the information with SLBC.*

*Sri. G. Sreeram, General Manager, Canara Bank & Convenor, SLBC assured the support of SLBC to sort out the issues and clear the pending loan applications.*

***(Action: Handloom & Textiles Directorate / Banks/SLBC)***

### **3.14.2. Proposal to introduce penalty for delayed payment of premium for coverage under CGTMSE**

*The forum concurred that delay in covering under CGTMSE shall be condoned by allowing payment of penalty. The forum decided to pursue the matter with CGTMSE, Mumbai.*

***(Action: CGTMSE, Mumbai / SLBC)***

### **3.14.3. Providing loans under KSEDM at base rate by Banks**

*The forum requested the Controlling offices of Banks to take an early decision in the matter, so that there is more credit outflow under the scheme.*

***(Action: Controlling Offices of Banks)***

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

*RBI Central Office had requested all implementing banks vide letter dated May, 22, 2013 to furnish at the earliest, certificate issued by their Statutory Auditor in the format enclosed thereto to enable RBI to forward the same to KVIC for early release of the captioned subsidy.*

*The forum noted this and requested Banks to furnish certificate issued by Statutory Auditor in the prescribed format to their corporate office for onward transmission to RBI Central Office for taking up with KVIC for release of pending subsidy.*

***(Action: RBI / Banks)***

### **3.15. INFORMATION NOTE**

#### **3.15.1. Ente Gramam - Special Employment Generation Programme – Considering the applications by various branches of banks (Suggested by KVIB)**

*The forum noted the contents and adopted the same for implementation by banks.*

***(Action: Banks)***

#### **3.15.2. Target for implementation of PMEGP 2013-14 – Note by KVIC**

*The forum advised that controlling offices of all Banks should give necessary instructions to their Bank Branches to reach percentagewise targets for the various quarters as below: 20% by June, 60% by September and 100% by December 2013.*

***(Action: Controlling Offices of Banks)***

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

**(Sri. K. R. Jayaprakash, LDM, Ernakulam, the leader of Group-III presented the report of the group).**

#### **4.1. Performance under Tertiary Sector of ACP**

The forum noted that the performance under the tertiary sector is satisfactory.

#### **4.2. Review of Disbursements to Tertiary Sector under ACP**

The forum noted that:

- KFC: The disbursement is Rs.42 crore against the target of Rs.145 crores, which is only 29%. KFC may be advised to achieve the target in current fiscal.
- Redesigning of Lead Bank Returns 1 & 2 may be carried out immediately.

***(Action: KFC, SLBC)***

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

The forum observed the following:

- CD ratio of the State is satisfactory.
- In no district the CD ratio is less than 40%

- Pathanamthitta with lowest CD ratio of 46% - LDM reported conducting of agricultural seminars, awareness camps etc. to improve the position. LDM has identified Inland Fisheries and Pineapple cultivation as having potential. Concentration of NRIs and coverage of 58% of forest land in the district hamper credit growth.

*(Action: LDM, Pathnamthitta)*

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

The forum observed that due to social reasons the scheme is not picking up in Kerala.

#### **4.5. FRESH ISSUES**

##### **4.5.1. Weighing instrument of high accuracy class for any bullion transactions including ornaments or other articles made of gold or silver as per Kerala Government Order No. 5/2012/CAD dated 20<sup>th</sup> July 2012 - Kerala Legal Metrology Enforcement Rules, 2012 (Suggested by Federal Bank)**

*The forum concurred with the views of the Steering Committee that banks are not involved in any trading activities using gold ornaments pledged by the customers and hence shall take up the matter with Legal Metrology Department, Government of Kerala for exempting banks from complying with this requirement.*

*The forum decided take up the matter with Legal Metrology Department, Government of Kerala.*

*(Action: Legal Metrology Department, Government of Kerala)*

##### **4.5.2. Progress and Implementation of Direct Benefit Transfer (DBT) in Kerala**

The forum observed the following:

- The digitized data of the beneficiaries with name of bank, bank account number, Aadhaar number has to be provided by the concerned departments to the LDM for sharing with the banks to seed AADHAAR numbers. Many departments have not furnished the list. Updated list may be provided immediately so as to complete the process within the time frame. Further updated lists with incremental additions only are to be provided on a weekly basis. *(Action: Government Departments in DBT)*
- Delay in verification of CPSMS data is reported with South Indian Bank and SMGB. *(Action: South Indian Bank & SMGB)*
- Feedbacks from banks regarding opening of account, seeding of Aadhaar No. and issuance of debit cards are not received by LDMs. *(Action: Banks)*
- Wherever bank accounts are to be opened, camps have to be organized by the Department concerned and Lead Banks to ensure participation of banks in such camps. *(Action: Government Departments/ LDMs/ Banks)*
- The NRHM has not furnished the beneficiary list under JSY in certain districts and wherever it was submitted, bank account details are not incorporated. *(Action: NRHM)*

- Database under certain schemes like NMMS, all post matric scholarship schemes are updated by respective educational institutions. These institutions are monitored by Directorates of Collegiate Education, Technical Education, Higher Secondary Education & Medical Education. These departments are not having district offices to monitor updation of database by principals. This hampers flow of beneficiary list to implementing departments. **(Action: Government Departments concerned)**
- All beneficiaries have not received Aadhaar and hence the mismatch between the number of accounts and Aadhaar seeding. District administration in all districts in coordination with Akshaya/NPR has organized camps for enrolment as well as Aadhaar number generation.
- Even after re-opening of schools at post-summer vacation, the list has not been updated, hence immediate intervention of departments required to complete the process. **(Action: Govt. Departments implementing scholarship schemes under DBT)**
- Working instruction of DBT to different offices has come very late from the State Government. This has affected the pace of preparation for DBT roll out.
- Various departments are yet to designate district level nodal officers for DBT. **(Action: Government Departments)**
- SC Development had designated Assistant SCDO as their nodal officer in the district for DBT. Such designated nodal officers should attend the DBT meetings regularly.
- Training/Workshop on CPSMS to be imparted to State level nodal banks and concerned departments. **(Action: SLBC)**
- The beneficiary list under National Social Assistance Programme (NSAP) implemented by LSGD is not provided in most of the districts. **(Action: Government Departments concerned)**
- Benefit for the children of beedi workers and housing subsidy for beedi workers – registration will be commenced only in the month of July as informed by Labour Department.

*Sri. P. H. Kurien, IAS, Principal Secretary, Information Technology Department, Government of Kerala first of all noted that participation of Secretaries and higher level officials from Government Departments are less in the SLBC meeting and assured the forum that he would raise this concern with Hon'ble Chief Minister and Chief Secretary.*

*He then responded to issues regarding DBT implementation in the State. He informed that he had appointed the State nodal officer for DBT and is very much aware of DBT implementation process. Twice he had attended meeting at Delhi called by Hon'ble Union Finance Minister. Information Technology Department had convened many meetings in the State on DBT. The Chief Secretary of the State had issued a circular about the steps to be followed for implementing DBT schemes. He informed that some Department are not having nodal officers at district level. Due to this Government had decided that the ADM or ADM rank officer at Collectorate would be kept as nodal officer for all such departments.*

*He informed that Aadhaar card generation in the State stood at 2.68 crores which is very high. Unfortunately because of problems with UIDAI themselves, there is delay in despatching physical cards. Further Aadhaar Enrolment number (EID) is sufficient for the Department to generate Aadhaar number of the beneficiary with the help of UIDAI. IT Department recently had convened a review meeting of Secretaries of the concerned departments. This was followed by the review meeting of Chief Secretary on DBT a few days back. He felt that about 40-50% of the DBT process stands completed at present. He expressed hope that Government would be able to complete 100% under all schemes by September 30, 2013*

*He expressed concern over the large number of old age pensioners who are yet to be enrolled under Aadhaar. Kerala State is having 7.5 lakh pensioners of which, the Aadhaar coverage is only 40%. State Government had entrusted the work of Aadhaar enrolment of these pensioners to Akshaya with a payment of Rs. 150/- each by visiting them at their house and the process is expected to be completed in 2 months. After completion of their enrolment, their enrolment number (EID) would be sent to the UIDAI, who would preferentially generate Aadhaar number for them and inform the same. He requested all bankers to extend all possible help for opening bank accounts of DBT beneficiaries especially pensioners. He exhorted the forum to complete the work within the next 3 months to roll out DBT successfully in the state. He pointed out that in Kerala every 3 km one bank branch is situated and banks have to really meet the financial needs of people.*

*Referring to Janani Suraksha Yojana, he informed that as per the Government of India direction the money would be paid to the beneficiaries delivering now by the usual method without insisting for bank account and Aadhaar number. In Kerala old age pension is now given mainly through e-money order and the same need to be now smoothly implemented through bank accounts.*

*Referring to the micro ATMs and Business Correspondents (BCs), he pointed out that comparing to bank branches in the State, numbers of ATMs are less. Therefore, in several areas it would be necessary to install ATMs and micro ATMs. He informed that most of the Akshaya entrepreneurs would be willing to become BC's for banks. Bankers shall decide on how many such Akshaya Entrepreneurs are needed to be engaged as BCs. The list of Akshaya entrepreneurs/ centres in the state would be provided to banks. Union Bank of India and Canara Bank have come forward for engaging Akshaya for extending banking services and he expected other banks to follow the suit.*

*He informed that for reviewing the progress under DBT, video conferencing is arranged once in every 15 days, with the District Collectors and LDMS. He assured the forum that IT Department would extend all support to banks in implementing DBT in the best possible manner.*

**Sri. Salim Gangadharan**, Regional Director, Reserve Bank of India raised some queries to banks in connection with DBT implementation (i) Wherever complete details are furnished by departments whether banks have ensured 100% seeding of bank accounts with Aadhaar number and (ii) Whether the banks have been able to trace out the potential DBT customers from their existing account base and seed the bank accounts with Aadhaar number?

Responding to this, **Sri. K. R. Jayaprakash**, LDM, Ernakulam informed that the list received by LDMs from Government departments have been shared with banks. Some banks are having large number of beneficiaries compared to other banks. In Ernakulam District, SBI, SBT, Federal Bank and South Indian Bank are having large number of beneficiaries. He quoted an example that, out of the 60,000 beneficiaries in the district, more than 26,000 are having account with SBI alone. When the entire list is given to that particular bank, it is difficult for them to complete the Aadhaar seeding process immediately. But with the support of departments, banks are doing it in a war footing to complete the task. Moreover all the bank branches are also doing the direct collection of Aadhaar number for which adequate publicity was already given.

**Sri. P. H. Kurien**, IAS, Principal Secretary, Information Technology Department, Government of Kerala responded that as per the direction banks have to open account, for those who do not have them using their Aadhaar card/ number. Even if a bank branch takes 4-5 days time to open these accounts, as there are large number of bank branches in a district, the accounts to be opened per branch will be less and hence it is very much possible to tackle the large numbers. He again underlined that State government is committed to complete the task before 30.09.2013 and Government would continue the same momentum in the coming months.

The forum further noted that for post-matric scholarship wherever the students have been using the easy pay cards of SBI hitherto, new bank accounts are to be opened. SBI confirmed that they have already started this task.

Regarding generation of e-aadhaar number from EID number, **LDMs** informed that it is not possible to generate more than three numbers using the same mobile number from the website. For this the representative of **UIDAI** clarified that UIDAI is also giving log in facility in their website which permits unlimited download/ generation of e-aadhaar for which the interested agencies have to take up with UIDAI. Reacting to this **Sri. P. H. Kurian** opined that UIDAI should give this facility to all the District Collectors to enable them to get Aadhaar numbers for all those with EID.

**Sri. P. Bala Kiran**, IAS, Director, Akshaya State Project highlighted that actually generation of e-Aadhaar is limited to 5 OTPS using mobile. Secondly Akshaya has been asking for a special login facility with UIDAI for Aadhaar number downloading without any limit. At present there is no limit for it at Akshaya centres and anybody can walk in and take e-aadhaar without any limit. Thirdly NIC had developed software for govt departments wherein they can upload the EID numbers of beneficiaries for which corresponding Aadhaar numbers will be informed to departments as and when the same is generated by UIDAI, through the special login facility permitted by UIDAI for the IT Department. Departments only need to ensure that beneficiaries are getting enrolled for Aadhaar and thereafter their EID need to be just uploaded in this software. Now IT Department every day is getting the list of beneficiaries for which Aadhaar is generated by UIDAI through this software developed by NIC. This software was presented in the meeting chaired by Chief Secretary for DBT recently. He added that password and user ID would be created for all the LDMs. IT Department had given instruction to all the

*District Collectors for issuing necessary user ID and password for the LDMs for using the software.*

*Principal Secretary IT, advised all LDMs to contact the NIC DIO in their district, for getting the user ID and password in this package.*

**(Action: LDMs)**

*Sri. P. H. Kurien, IAS, Principal Secretary, Information Technology Department, Government of Kerala informed that preparation of digitised list is being done by Government departments. Departments would have already provided the details of accounts with Aadhaar number to banks. Now wherever EID is available departments need to co-ordinate with UIDAI/AKSHAYA/NIC for getting Aadhaar numbers and then forward to banks for completing the seeding process. After this Departments need to make all out efforts for getting EID numbers from all beneficiaries where the same is not available at present. He added that Government had issued a detailed circular in this regard. It will be the duty of the Department heads to provide the complete list with Aadhaar numbers to the District Collectors who in turn would forward the same to respective LDMs.*

**(Action: Government Departments)**

Concluding the discussion on DBT, **Sri. G. Sreeram**, General Manager, Canara Bank & Convenor SLBC assured the forum that banks in Kerala would treat this as a business opportunity and would open maximum number of account disregarding service area, command area etc. Regarding publicity, he informed that SLBC would be soon releasing advertisement in FM radio throughout Kerala for creating more awareness on the matter. He once again assured that maximum number of accounts would be opened by banks within the stipulated time and banks would not be found wanting for anything regarding roll out of DBT in the state.

**(Action: Information Technology Department / All Government Departments involved in DBT/ Banks /LDMs /SLBC/NIC)**

#### **4.5.3. Sub Service Area (SSA) Approach – Mapping of Gram Panchayats for coverage through Branch/ BCA/ CSC - Position in Kerala**

*Being a new concept, sensitization programmes may be conducted for bankers at district level. Block wise allotment of CSCs to various banks may be considered instead of many banks operating their CSCs in same block.*

*The forum felt that the matter requires further deliberations and policy directions from Govt of India and hence decided not to adopt the above suggestions for the time being. However banks were advised to go ahead with the Government of India directive of handholding with Common Service centres (CSCs) for commencing banking services.*

**(Action: Banks)**

## **4.6. PENDING ISSUES IN SLBC & ACTION TAKEN REPORT**

### **4.6.1. Land Allotment for construction of RSETI Buildings**

*Sri. S. S. Bhat, General Manager, Canara Bank suggested that LDMS shall follow up the matter with respective District Collectors.*

*The forum decided to follow up the matter with Commissionerate of Rural Development.*

***(Action: Commissionerate of Rural Development/ SLBC/LDMS)***

### **4.6.2. Giving Provision to Controlling offices of banks to monitor status of RR**

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

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

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

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

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

### **4.6.4. Inclusion of Banks under “Public Utility Service” u/s 22 A of Legal Services Authorities Act - Establishment of Permanent Lok Adalath u/s 22 B**

It is ascertained that Law Department has taken up the matter with Kerala State Legal Service Society which in turn had taken up the issue with Ministry of Law & Justice (Department of Legal Affairs) vide their letter No.2095/D/P/KELSA dated 15.02.2012.

*The representative from Law Department, Government of Kerala informed that this being a central act, the matter is under the consideration of Ministry of Law & Justice, Government of India.*

***(Action: Law Department)***

*Sri. R. K. Dubey, Chairman & Managing Director of Canara Bank suggested that all pending agenda items with various State Government departments are to be sorted department wise and brought to the notice of Chief Secretary under copy to Deputy Governor, RBI.*

***(Action: SLBC)***

### **4.6.5. Automation of Interface of State Government Treasuries with Banks**

*The forum noted that the interface between treasury and banks, facilitating Electronic Benefit Transfer is being developed. Government 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.*

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

***(Action: Finance Department)***

#### **4.6.6. Levying of Service Charges under SARFAESI**

In the Group discussion session, the representative from Revenue Department informed that they are awaiting instruction from Government of India.

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

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

#### **4.6.7. Computerization of Land Records & Creation of a Central Registry titled National Mortgage Repository**

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

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

#### **4.6.8. Need for Reduction in Stamp Duty and Registration charges for Registered Memorandum**

*The representative from **Registration Department** informed that though the rate was reduced under Finance Act 2010, no upper ceiling was prescribed. Now the matter is being looked into by the State Government.*

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

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

#### **4.6.9. Amendment/ modification in Kerala Registration Rules empowering the SROs to make entry of possession of immovable properties by banks under SARFAESI Act, in Book I**

*The forum noted that proposal was submitted to Government for amendment of registration Act vide letter No.IT3/20954/2010 dated 15.12.2011.*

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

***(Action: Registration Department)***

#### **4.6.10. Waiver of Stamp duty on SHG loans**

*The representative from **Registration Department** informed that a draft circular in this regard was submitted to Government on 19.12.2011 and is pending.*

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

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

#### **4.6.11. Inclusion of HDFC Bank Ltd. a Private Sector Scheduled Commercial Bank(s) u/s 71 of KRR Act & Issue of user ID & password for online Revenue Recovery procedures**

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

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

#### **4.6.12. Issues in Mortgage of land to banks in Industrial parks**

*The representative from **Directorate of Industries & Commerce** informed that Industries (F) Department, Government of Kerala had issued order in this regard vide GO(MS)No.60/2013/ID dated 10.06.2013. The copy of the same is provided in **Annexure-I**.*

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

#### **4.6.13. Non availability of Government of India Interest Subsidy on Education loans granted by KSCARD Bank**

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

***(Action: Department of Financial Services, Government of India)***

#### **4.6.14. Establishment of Financial Literacy Centres (FLCs) in all blocks of the State**

*The forum noted the relaxation given by RBI and decided that FLCs are to be established before 30.09.2013 in all the blocks by the concerned banks.*

*While reviewing the progress, **Sri. Salim Gangadharan**, Regional Director, Reserve Bank of India noted that the performance is apparently not convincing.*

The forum then made a bank-wise review on the progress in establishing FLCs and noted the following:

Federal Bank and South Indian Bank have completed their target well before the stipulated time.

Bank of India : Approval from Corporate Office is awaited

Canara Bank	: Head Office had permitted to establish 9 FLCs and local Controlling Office is in the process of selection of Counsellors. FLCs would be set up before 31.07.2013.
Central Bank of India	: All 4 FLCs would be established shortly.
Corporation Bank	: FLCs would be opened before July 2013.
Indian Bank	: One FLC opened at Chadayamangalam and awaiting approval from Head Office for other 2 FLCs.
Indian Overseas Bank	: FLCs established in Trivandrum and Kollam Districts. Advertisement given for other 3 FLCs and would open them before September 2013
Punjab National Bank	: Approval from Head Office is awaited
State Bank of India	: Opened 9 FLCs and 6 FLCs would be opened before September 2013.
State Bank of Travancore	: 3 FLCs opened in 2011 and 13 FLCs opened at bank branches in accordance with the clarification from RBI.
Union Bank of India	: 4 FLCs opened. Approval is expected within a week's time for other. Looking for premises in Idukki and Kottayam Districts and target would be completed by September 2013.
Vijaya Bank	: For one FLC premises identified and proposal sent to HO. Another one would be established before July 2013.
Dhanlaxmi Bank	: Approval is awaited from Corporate office for establishing 3 FLCs and all FLCs would be established before September 2013.
Catholic Syrian Bank	: Approval is awaited from Head Office and looking for the premises.
HDFC Bank	: Approval is pending with Corporate Office.
ICICI Bank	: Approval is awaited for establishing FLC at Perinthalmanna.

*Sri. Salim Gangadharan, Regional Director, Reserve Bank of India directed that if any bank is not interested in opening FLCs in Kerala, they should surrender their rights for opening FLC and inform the same to SLBC in writing. SLBC in turn may do the re-allotment. He directed State Bank of Travancore to confirm that the FLCs established at their bank branches are independent as well as exclusively available for FLC functions. He added that bankers have to confirm that FLCs set up are conforming to the provisions of RBI Circular. Moreover, after establishment the compliance aspects shall be cross verified by Lead District Managers of respective districts and ensure regarding the acceptability.*

**(Action: SBT/ Other Banks)**

*Sri. R. K. Dubey, Chairman & Managing Director of Canara Bank urged all the banks to consider the matter seriously by giving proper importance to the task assigned to them. He suggested SLBC Convenor that the matter has to be brought to the notice of Chairman & Managing Directors of respective Banks with copy endorsed to concerned LDMS. Further Lead Bank wing, Canara Bank was directed to put up a monthly ATR on the matter to CMD Canara Bank. He requested the management of banks in the state to strongly represent the matter to the respective corporate offices so as to complete the task before the deadline. He added that if any bank is not interested in opening FLCs,*

then they can inform the same to SLBC in writing s to enable SLBC to reallocate the same to another bank. He expressed hope that Kerala would take the lead in establishing FLCs in all the blocks within the stipulated time.

**(Action: Banks/SLBC Cell/ Canara Bank Head Office)**

#### **4.7. INFORMATION NOTE**

##### **4.7.1. 100% Bank Linkage Campaign for the financial year 2013-2014**

(Suggested by Kudumbashree)

*The forum noted the contents for information and suggested that training may be provided to bankers on 100% Bank Linkage Campaign.*

***Smt. K. B. Valsala Kumari**, Executive Director, Kudumbashree informed that the campaign would be launched by Kudumbashree during the current financial year and the slogan would be 100% bank linkage as well as 100% repayment. She informed that about 6000 NHGs are ready for grading but are still awaiting the grading process. A suggestion had come in the Kudumbashree Governing Body Sub-committee meeting that if bankers are finding it difficult to do the grading on account of time and manpower constraints, the responsibility of conducting grading shall be entrusted to CDS. She enquired whether this decision of the sub-committee would be acceptable to SLBC.*

*The **Lead District Manager, Trivandrum** informed that during the DLRC meeting it was decided to implement the bank linkage campaign of Kudumbashree based on the above model suggested by Kudumbashree and banks are co-operating with the same in Trivandrum district.*

***Sri. Amalorpavanathan**, Chief General Manager, NABARD suggested that though the rating tool is already approved in the SLBC meeting many bankers at grass root level are not aware of it and hence SLBC may send one more circular giving instruction to all bankers to that effect.*

***Sri. Salim Gangadharan**, Regional Director, Reserve Bank of India opined that every bank has its own grading model and they can map it with Kudumbashree model and find whether it is acceptable regarding most of the parameters.*

***Smt. K. B. Valsala Kumari**, Executive Director, Kudumbashree informed that Bank-wise branch wise target is already given to SLBC. The target is Rs. 1200 crores for the current year. She requested banks to expedite the steps.*

***Sri. Amalorpavanathan**, CGM, NABARD, suggested that whether it is the rating tool of individual banks or that of Kudumbashree the linkage process should continue uninterrupted. He also suggested that Kudumbashree (CDS) while forwarding the NHG loan applications to the branches shall enclose the completed rating tool and banks can either accept it or conduct another rating based on their own model. Hence in all respects the linkage process should continue and 100% linkage should be achieved by*

March 2014. Further the bank wise branch wise target given by Kudumbashree is to be disaggregated at individual District level and progress is to be reviewed in quarterly DLRC meetings.

The forum accepted the above suggestion given by NABARD CGM.

**(Action: SLBC /Banks/ Kudumbashree )**

**4.7.2.100% Repayment Campaign for the financial year 2013-2014** (Suggested by Kudumbashree)

The forum decided that banks may provide the list of default groups to CDS to enable Kudumbashree to extend necessary support in recovery of overdue loans.

**Smt. K. B. Valsala Kumari**, Executive Director, Kudumbashree informed that very often bankers complain that Kudumbashree accounts are NPA accounts but on verification it was found that, hardly one or two only are Kudumbashree NPA accounts and the rest are SHG loans sponsored by other NGOs or community organisations. She reiterated that Kudumbashree groups are called NHGs- Neighbourhood Groups Therefore, she suggested that if the Kudumbashree NHG groups could be given a unique identifying code/ number by banks, it would be easy to find out the NPA accounts of Kudumbashree from the enumerable numbers of SHGs run by political/community/religious organizations etc.

The forum noted that this is a valid suggestion and requested individual banks to come up with separate codes in CBS for identifying Kudumbashree NHGs.

**(Action: Banks / Kudumbashree)**

**4.7.3. Revamped Interest Subsidy Scheme of Kudumbashree** (Suggested by Kudumbashree)

The forum recommended that the scheme shall be also made applicable to Cash Credit facility given to NHGs as the present scheme is linked with Term Loan and its repayment.

**Smt. K. B. Valsala Kumari**, Executive Director, Kudumbashree informed that under National Rural Livelihood Mission (NRLM) 2 districts have been selected where the interest subvention scheme is going to be implemented directly by the Government of India. For all other districts it would be routed through the State Government. This funding is a State plan fund and under NRLM they are extending not only for term loans but also to other loans as well.

**Sri. Salim Gangadharan**, Regional Director, Reserve Bank of India enquired the constraints of Kudumbashree to extend this subvention to cash credit also? He opined that SLBC is only making a recommendation that for the schemes to be popular and effective at the lower end of the society interest subsidy should also be extended to the cash credit.

*Responding to this, Smt. K. B. Valsala Kumari, Executive Director, Kudumbashree informed that the matter would be placed in the executive committee meeting to be convened on 6<sup>th</sup> July, 2013 and decision in this regard would be informed to SLBC.*

**(Action: Kudumbashree)**

#### **4.7.4. Financial Literacy Campaign proposed by Kudumbashree Mission (Suggested by Kudumbashree)**

*In the Group discussion session, Kudumbashree representative sought coordination of LDM and FLC Counsellors in their Financial Literacy Campaigns.*

*Sri. Salim Gangadharan, Regional Director, Reserve Bank of India expressed willingness that RBI is having lot of financial literacy materials especially to put the rural folk on guard against multi level marketing and unincorporated bodies penetrating in to the rural segment. He enquired whether Kudumbashree machinery can be used for distributing the same, if these materials are printed in Malayalam and given to Kudumbashree.*

*Responding to this, Smt. K. B. Valsala Kumari, Executive Director, Kudumbashree welcomed this initiative and suggested that the material may be printed partially in Tamil and Kannada also for the people of Idukki and Kasaragod Districts respectively. She requested that FLC may kindly be involved the financial literacy campaign of Kudumbashree.*

*Sri. Salim Gangadharan, Regional Director, Reserve Bank of India informed that Kerala is having more than 70 FLCs across the blocks. He requested to give instruction to all Kudumbashree units across the State for linking with FLCs. The financial literacy materials that have been printed by sponsoring banks in local language could be used. Kudumbashree officials can meet the credit counsellors/ dedicated officer and can go and talk to the people in villages as most of the activities of the counsellors would be in the field.*

**(Action: Banks / RBI/ Kudumbashree/FLC Counselors)**

#### **4.7.5. Retired bank Officials as Kudumbashree Bank RPs (Suggested by Kudumbashree)**

*The forum noted the contents for information.*

*Smt. K. B. Valsala Kumari, Executive Director, Kudumbashree informed that Kudumbashree had already trained them and after their joining the linkage has slightly improved also.*

#### **4.7.6. Positioning of Bank Mithras in all panchayaths (Suggested by Kudumbashree)**

*The forum noted the concept that appears to be welcoming one.*

*Smt. K. B. Valsala Kumari, Executive Director, Kudumbashree informed that in Andhra Pradesh this is already there. Kudumbashree is paying them and they basically helps the bankers to sort out their burden to some extent. In Andhra Pradesh many of the bankers are giving them Rs.1000-1500 per month and requested for a similar incentive here in Kerala also. The basic idea is to help the Kudumbashree people, in banking procedures, in submitting their loan application etc*

*The Kudumbashree women would be happy if one among themselves sits in the bank premises and help them. Being from Kudumbashree itself, they can establish the rapport in a much better way. They can help bankers in recovery, repayment monitoring, loan documentation etc. She added that they would help other poor people/SHGs also if bankers would pay some money to them.*

*The forum decided to leave the decision in the matter to individual banks.*

**(Action: Banks)**

*Sri. V. R. Muralidhar, LDM, Trivandrum raised an issue that JLGs of Kudumbashree are formed with members belonging to different NHGs of Kudumbashree and many banks financing these JLGs may result in multiple finance.*

*Reacting to this, Sri. Amalorpavanathan, Chief General Manager, NABARD clarified that JLGs are basically activity oriented groups and they can be members of different SHGs and across the country this is true. Since JLGs being activity oriented there is no question of any multiple financing.*

*Supplementing this, Sri. G. Sreeram, General Manager, Canara Bank & Convenor SLBC informed that the concept is very clear as explained by CGM, NABARD and no multiple financing is involved. Further any bank is free to finance the JLGs formed out of members from NHGs financed by them. In fact all banks should come forward for this and ensure maximum JLG linkage and this is the view of SLBC on it.*

**4.7.7. Agenda item suggested by the Joint Secretary, Ministry of Social Justice and Empowerment, Government of India**

*The forum noted the contents for information.*

**5. Review of Performance under various Segments**

**6. Review of Performance of the Banking Sector**

The forum concurred with the review of the performance under various sectors as at March 2013 quarter provided in the background notes supplied.

## **ADDITIONAL ISSUES**

### **1. Takeover of Bhavanashree loans**

Though in the phase-I, loans given by most of the banks have been taken over by the Government, several cases of left overs were subsequently reported and proposal submitted to the Government for takeover of those cases also. This has been taken up in the previous SLBCs and subsequently dropped on the assurance of Kudumbashree for inclusion of those loans also. Since last 2 years there are no further developments. Aggrieved borrowers are agitating over the delay in takeover of loans and release of title deeds.

The Group suggested that the Kudumbashree Mission may take up the matter with Government for settlement at the earliest.

*Smt. K. B. Valsala Kumari, Executive Director, Kudumbashree informed that the matter was taken up with the Hon'ble Chief Minister and the Hon'ble Finance Minister in the 15<sup>th</sup> Anniversary celebration of Kudumbashree. They gave a commitment in front of lakhs of people that the additional loans under Bhavanashree scheme would be taken over by the Government. Thereafter Kudumbashree had submitted a proposal to Government and reminded them also. She made a request to SLBC that till such time the Government Order is issued, bankers shall not go ahead with Revenue Recovery proceedings.*

***(Action: Kudumbashree/ SLBC/ Banks)***

### **2. Micro Insurance and Micro Finance**

Though Micro Insurance is an integral part of the Financial Inclusion process the scheme has not received required momentum so far, due to lack of awareness.

The Representative from LIC of India briefed the salient features of the Micro insurance schemes such as Jeevan Madhu, Jeevan Mangal and Jeevan Deep. LIC proposed corporate tie up with banks and NGOs to promote these products.

RBI has suggested promoting inbuilt OD facility in Basic Savings Deposit Accounts in a big way for inclusive growth.

***(Action: Banks)***

### **3. Education Loan Issues**

Lot of issues were reported under Education Loan both by public and banks.

The Group suggested the following:

- All banks to entertain Education Loan applications without hesitation
- Banks to strictly adhere to the time norms applicable for Priority Sector Advances while considering Education Loan applications.
- The proposed Credit Guarantee scheme for Education Loan Scheme may be launched at the earliest.

- Education loans under Management Quota also to be considered by all the banks preferably with uniform terms and conditions. IBA may be requested to take lead in this regard.
- Approved courses only should be considered by banks while extending Education loans. Different banks adopting different yardsticks not only invites confusion but accumulate lot of confusion.
- Announcement of Interest Subsidy Scheme to students belonging APL & BPL families have slowed down the repayment of Education Loan. Therefore, the Group suggests speedy settlement of interest subsidy claims already submitted for BPL and speedy implementation of interest subsidy scheme to students belonging to APL families.
- The moratorium on Revenue Recovery of Education declared by Government is extended to all RR invoked cases by the Revenue authorities. The specific beneficiary group for this moratorium may be highlighted to the RR authorities.
- Grievance Redressal Mechanism in individual banks to be revamped and details prominently displayed in branches and bank's website.
- Additional information on interest subsidy claim submitted has been called for by the Government. The bank branches may expedite submission.

*The forum noted the above for compliance and implementation by banks.*

***(Action: Banks/ SLBC/ Planning & Economic Affairs Department)***

- Scrapping of Service Area norms and varied rates of interest, difference in operational guidelines in banks caused bunching of applications to few select bank branches. This hampers smooth flow of credit to students from the respective banks. Hence the Group suggested a specific direction to the students as to which bank he should approach for the loan. The Group recommended to re-introduce the proximity norms prevalent earlier in the Scheme and rationalization of interest. This will help minimizing complaints in Education Loan segment.

*The forum decided that the above suggestion cannot be accepted as it is against the extant guidelines of RBI/IBA.*

***Sri. G. Sreeram***, General Manager, Canara Bank & Convenor SLBC informed that those suggestion that are contrary to the laid down IBA guidelines on Education Loans cannot be taken forward. Service area concept have been discussed at highest level and was not accepted by IBA/Government.

***Sri. R. K. Dubey***, Chairman & Managing Director of Canara Bank informed that bankers have to lend further under the scheme, with due diligence. The issue is very sensitive in Kerala and Tamil Nadu as demand for education loan is high due to higher literacy. Therefore, proactive steps are to be taken to solve the problems. Moreover, a pragmatic approach is required from every banker towards the students approaching loan and consider them very sympathetically and empathetically.

*Sri. K. R. Jayaprakash, LDM, Ernakulam added that the approved fee structure for various courses applicable in neighbouring States may be collected by SLBC and circulated during the beginning of the academic year.*

*(Action: Banks / SLBC)*

#### **4. Participation in BLBC/DLRC meetings**

Participation by appropriate official must be ensured by the banks in BLBC and DLRC meetings. Timely submission of required data to Lead Bank also is to be ensured.

*(Action: Banks)*

#### **5. Land Acquisition Compensation for property mortgaged to Banks**

The land Acquisition authority, while awarding compensation against taken over of land, is demanding production of original documents before them. The banks find it difficult to produce the original title deed that has been deposited with them under Equitable Mortgage. There is likely legal hitch also involved on the validity of the EM on retaining the original documents by the LA authorities when the EM is in force with the bank. Therefore, the Government may direct the LA authorities to accept the bank certified copy of the title deed at par with the original title deed and award compensation.

*The forum decided to take up the matter with Revenue Department.*

*(Action: Revenue Department, Government of Kerala)*

**Sri. K. R. Jyothilal IAS**, Secretary, Agriculture Department, Government of Kerala in his address highlighted the following points:

- Referring to investment credit in agriculture, he informed that growth in agriculture sector cannot take place without capital investment. Government of Kerala is planning to conduct a Global Agri Meet during December 2013. He requested bankers to be part of the same. Government had one round discussion with CII as how to bring secondary agriculture to the State focussing on agro processing, agri exports, cold chain processing etc. This would be the next revolution in agriculture which can be brought in by linking up with industry. Four partner countries have been identified by the State viz. Srilanka, Thailand, Philippines and Vietnam. Entrepreneurs in Kerala would either tie up or learn technology from them. Government would be setting up parks for coconut/rice based industries and similar other parks are in the offing. Just like Industrial parks, Government would provide common electricity, water supply and other common facilities to them. Government expects good number of entrepreneurs to participate in the meet. Bankers can be part of it so as to promote more investment in agriculture sector. Department had identified coconut and coconut based products, pineapple, 64 varieties of banana, mango, jackfruit, flowers and medicinal plants as the core strength of the state under agro processing.

- Referring to Term Loan, he informed that Government is seriously considering interest rate subsidy for Term loans. Pilot project of interest free loans has already been started by Kudumbashree in Idukki District.
- Referring to Agriculture Gold Loan, he suggested that bankers should have a realistic approach in providing actual assistance to farmers and the focus should be given towards 14 lakh real farmers who have already registered with the Department.
- Setting up of Neera projects is another major thrust given by Government of Kerala. Government had already sanctioned 3 pilot projects. Pilot unit is having the capacity of around 1000 litres with an investment requirement of around Rs. 1.5 crore. The Chairman, CDB had agreed to provide 25% of the amount and 25% would be provided by State Government as subsidy. Remaining 50% amount can be considered by banks under term loan/EMI scheme. Government would require more private entrepreneurs to come forward and set up the project. Government would provide 100% funding support for 3 pilot projects to be set up in north, south and middle of Kerala. 2 units would be managed by co-operative societies. One group SUBIKSHA at Kozhikode had already received license to do the tapping.
- Government had tried Pineapple shipment through the Indian Railways. The first lot was shipped to Ludhiana and Delhi. Government is planning to engage one train exclusively for delivering Kerala products to all the Metros. Government is thinking of developing cold Chain marketing outlets in major cities in India with an aim to capture the domestic market. Thereafter Govt may look forward to Dubai and Middle East countries.
- Referring to a development in power sector, he informed that Government is planning to use Agri bio mass for power generation and desalination. One Model private plant is planned at Kumbalangi and some major investors are waiting for this project to take off. The technology is time tested and a study conducted by Indian institute reveals that almost 830 mega watt power could be generated under bio mass model in Kerala alone.
- Referring to SHGs, he informed that Govt is going to promote “Tharisurahithagramam” in a big way. ie. Panchayat without any land that is kept fallow wherein Government would be trying to bring Kudumbashree, other SHGs and even individuals for undertaking cultivation in these fallow lands. A model agreement would be evolved between bank, Panchayat Secretary, Krishi Bhavan officer and the person who gives the land on lease to JLG. Cultivation period may be from 1-2 years up to 3-5 years maximum. As leasing is not recognised as legal under Kerala Land Reforms Act, this would be only cultivation rights and not lease. Government would promote both JLG groups and individuals. Government would also provide Rs. 5000 per hectore as advance to the person who gives the land on lease to promote the scheme. With this Government would make sure that entire cultivable area in a panchayat is brought under cultivation which would help both in food security and employment generation.
- While concluding, he expressed his happiness over the SLBC decision to give added focus on agriculture term loan which he felt was the most welcome move.

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

- He expressed his extreme happiness on the proactive initiative of State Government to share the data of 14 lakh registered farmers. He pointed out that if the data is received from Agriculture Department, future lending to agriculture sector would be linked to this number and the concerns expressed in the meeting regarding Agriculture Gold Loan and Crop Loans could be addressed. There should be introspection and compliance on the circular issued by RBI last year on Agriculture Gold Loan and compliance should be in letter and spirit. The focus in agriculture sector should be towards production linked financing rather than consumption financing.
- Referring the lending towards MSME sector, he urged the forum to take serious efforts and suggested that other banks can take a cue from the experiment made by Canara Bank in the State. If at least a few things could be replicated then it may bring a change in the profile of lending to MSME sector.
- Financial Literacy Centres (FLCs) are very much essential for the State as the state is most literate but also least literate on financial matters leaving scope for many multi level marketing and other similar scams exploiting the people. There is a need for educating the people in the State and this is also certain to bring business to banks. That is why it was decided to set up FLCs in all the 152 blocks in the State. The chairman of the meeting had also taken very serious note of it. All these FLCs are to be set up before 30.09.2013. Hence as decided today if any bank is not willing to set up the FLC in true sense, they may come back to the SLBC Convenor bank and surrender their rights to enable SLBC to reallocate the responsibility to other banks.
- Referring the progress under DBT, he observed that lot of work is being done by banks and he appreciated the efforts taken by banks towards the project. He requested all banks to join hands with State Government for implementing the DBT scheme successfully within the stipulated time.
- Micro insurance is not getting popularised in the State. RBI had tried an experiment in Ernakulam District and was able to sell 63000 micro insurance products within a period of 2-3 months. Banks can gear up their Business Correspondents or local bank branches can make a tie up arrangement with LIC/other insurance agencies so as to popularise micro insurance in a big way.
- A study conducted by RBI on the performance of BCs, revealed that in most cases BCs were appointed merely for complying with the regulatory requirement of reaching all the villages. After opening a few accounts, many of the BCs were left high & dry due to inadequate remuneration and many of them are defunct now. But select BCs with some banks are doing lot of business viz. SBI, IOB. Unless banks revise the remuneration of BC/convert them as BFs also, so as to get add on income to the BCs, the model is likely to fail. Simultaneously technological issues, connectivity issues and less number of transactions using smart cards etc are also to be addressed, lest BC model will become a failure in Kerala.
- Referring to Education Loan, he pointed out that complaint on Education loans had comedown compared to previous year. He added that dispensation of Service Area concept does not mean that only few banks have to lend for the scheme.

RBI is going to monitor the performance of all the banks lending under Education Loan sector due to this specific reference, relevance and criticality in the State of Kerala. District level Grievance Redressal Committee on Education loan is set up in all districts. Reluctance on the part of banks in lending to Education Sector has to be brought in to the DLRC meeting or state level meetings to handle the same. Since the NPA level as at March 2013 stood at 8.9%, the banks to focus on recovery also. Further he cautioned banks that the NPA surfaced now is an underrepresented figure as most of the loans granted are yet to mature for repayment. Wherever genuine cash flow issues are there, bankers have to explore the possibilities for restructuring as well, by doing a reality check, especially in the case of nursing students. State Government is putting in lot of efforts for guaranteeing minimum wages to nurses and in such cases banks shall proactively come forward for restructuring of loans which would enable them to manage the Education loan portfolio.

**Sri. R. Amalorpavanathan**, Chief General Manager, NABARD in his address shared few fundamental points to the Agriculture sector:

- The growth in agriculture credit is disproportionately higher than that of actual requirement. The total credit flow in agriculture sector is more than the value of agriculture GDP in the state. The issue has to be considered seriously and correct the same.
- Referring to Agriculture Gold Loan, he suggested that RBI should do something on this and pointed out that the matter is closely linked with inflation both in the consumer sector and also in the price of gold which government of India is trying to address continuously. It also gives huge arbitrage opportunities to some individual who are taking agriculture gold loan without genuine requirement of it and then depositing this amount thereby indirectly contributing to the development of the informal financial sector as they are charging huge interest rate. In Kerala density of the banking as well as non banking financial institutions are very high so that these arbitrage opportunities are easily taken advantage of and misuse the banking industry.
- Another major issue with banks is lack of willingness from almost all stake holders to work for Agriculture Term Loans. Bankers need to do something about this. There are several NGOs, organizations in Kerala working on certain investment areas. Controlling Offices of banks may set up some collaborative arrangements with NGO's and Government Departments for sourcing investment credit proposals. Further bankers need to go out and source term loan proposals just like they do for retails loans like car loans. Cooperatives are able to provide forward and backward linkages to the farmers. They are more amenable and understand the culture of Kerala. Technology inclusions in cooperatives are also quite high and by September 2013, they are expected to migrate to CBS platform. Therefore it would be better to approach agriculture development through system of cooperatives also.
- Referring to investment credit for hi-tech farming, he informed that a good number of boards and institutions are already involved in this. NABARD is trying to explore the best ways to work with them for promoting large scale investment.

- As far as data & Statistics are concerned, SLBC need to go a long way for qualitative achievement. He suggested controlling offices to once again issue a circular to all bank branches for properly coding the purposes and other particulars correctly in the system so as to avoid the ups and downs in the figures especially in the case of microfinance & MSME sector.
- He congratulated all the bankers for achieving the targets for 2012-13 despite the drought situation prevailing in the state.
- Finally he reminded the forum that in special SLBC meetings on issues like drought bankers had given certain commitments to State Government and such matters (statistics on loans restructured in the context of drought being declared in the State) are to be properly reviewed in the meeting supported with data.

The plenary session concluded by 2.15 p.m with **Sri. C. G. Nair**, Deputy General Manager, Canara Bank proposing vote of thanks.

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## ANNEXURE - I



### GOVERNMENT OF KERALA

#### Abstract

Industries Department – Granting of mortgage permission and change of ownership of land in industrial areas - Orders issued.

#### **INDUSTRIES (F) DEPARTMENT**

GO (MS) No.60/ 2013/ID. Dated, Thiruvananthapuram, 10/06/2013.

- Read :-
1. G.O.(MS) No. 420/68/ID, Dated 22/10/1968.
  2. G.O.(MS) No. 169/69/ID, Dated 05/04/1969.
  3. G.O.(MS) No. 297/70/ID, Dated 24/08/1970.
  4. G.O.(MS) No. 55/2013/ID, Dated 27/05/2013.

#### **ORDER**

1. The Rules on lease of land for industrial purposes in Development Areas as per G.O.(MS)No.420/68/ID, dated 22/10/1968, the Rules on allotment of land for industrial purposes in Development Areas on hire purchase as per G.O.(MS)No.169/69/ID, dated 05/04/1969 and the Rules on assignment of land as per G.O(P) No.220/Rev. Dated 30/03/1964, do not allow alienation and encumbrance of land without the prior permission of Government / Director of Industries and Commerce. Most of the Industrial units set up in the industrial areas established by Government and Government Companies such as KINFRA, KSIDC and SIDCO, need to obtain finance from banks and institutions for constructing factory buildings and other facilities required. Such finance will not be available if the units are not permitted to mortgage their leasehold rights on the land. As per the rules, industrial units are not allowed to sublet or alienate the land allotted to them. Sometimes change of ownership of industrial land is also necessitated. Of late, Revenue Department has been taking the stand that mortgage permission can not be granted for industrial land and also that land has to be resumed first and then reallocated for change of ownership.

Both the above issues are creating serious difficulties for attracting new industrial units, especially in the MSME sector.

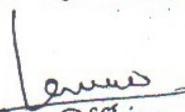
2. In the above circumstances, Government are pleased to order that all types of land allotment for industrial purpose as envisaged in the Government Orders read as first to third paper above will be (i) on lease basis only (ii) tenure of lease will be for a period of 30 years at a time and (iii) Director of Industries & Commerce is authorized to grant permission for mortgaging lease hold right and change of ownership.

3. The Government Order read as fourth paper above stands canceled.

By Order of the Governor,  
**V. Somasundaran,**  
Additional Chief Secretary.

To  
The Director of Industries & Commerce, Thiruvananthapuram.  
Revenue Department.  
General Administration (SC) Department. (Vide item number 3621, dated 22/05/2013).  
Stock file/Office copy.

Forwarded / By order,

  
Section Officer.

## **PARTICIPANTS ON 25.06.2013 - OPENING SESSION**

### **RESERVE BANK OF INDIA**

1. Sri. K. Santhakumar Deputy General Manager

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

1. Sri. G. Sreeram General Manager (Convener, SLBC, Kerala)  
2. Sri. C. G. Nair Deputy General Manager  
3. Sri. Tomy Sebastian Assistant General Manager  
4. Sri. K. R. Arun Kumar Senior Manager  
5. Sri. Babu Venkitesh K Manager

## **PARTICIPANTS FOR GROUP DISCUSSION SESSION**

### **GROUP I**

1. Sri. Vinod C Assistant General Manager, NABARD (Group Leader)  
2. Sri. Anil R. Assistant General Manager, State Bank of India  
3. Sri. P. B. Sundararaj Chief Manager, State Bank of India  
4. Sri. Jayamohan I. S. Chief Manager, Federal Bank  
5. Sri. N. Sathikumaran Nair Divisional Manager, Dhanlaxmi Bank  
6. Sri. Prabhakara Babu Deputy Zonal Manager, Bank of India  
7. Smt. Marykutty P. Chief Manager, South Malabar Gramin Bank  
8. Dr. B. V. Sathyanarayana Bhat Secretary, KSFDRS  
9. Sri. Saji Kumar J. Under Secretary, Planning & Economic Affairs Department  
10. Sri. V. Muraleedharan Pillai Deputy Registrar, Co-operation Department  
11. Sri. C. R. Ramesh Additional Director of Agriculture, Agriculture Department  
12. Smt. P. S. Radhamony Additional Director of Agriculture, State Horticulture Mission  
13. Sri. S. Rajan Deputy Rubber Production Commissioner, Rubber Board  
14. Sri. Baiju K. Alex Deputy Director, Dairy Development Department  
15. Smt. Annamma Simon LDM, Canara Bank, Thrissur  
16. Sri. K. Babu Ganesh LDM, Union Bank of India, Idukki  
17. Sri. V. R. Muralidhar LDM, Indian Overseas Bank, Trivandrum  
18. Sri. K. T. George LDM, Canara Bank, Wayanad  
19. Sri. John V. Cherian Manager, State Bank of Travancore  
20. Sri. K. R. Radhakrishnan Manager, Reserve Bank of India  
21. Sri. Rajaraman Manager, NABARD  
22. Sri. Harisankar P. Manager, Indian Overseas Bank  
23. Sri. S. Perumal ADM, KSCARD Bank  
24. Sri. Syam Kumar AM, AICL  
25. Smt. B. Kasthuri Bai Project Director, SFAC  
26. Sri. Sudheera Kumar J. T. Assistant Manager, United India Insurance Co.  
27. Sri. G. K. Krishnanunni Regional Co-ordinator, Kudumbashree  
28. Sri. C. Edison Assistant Registrar, Co-operation Department  
29. Smt. Sreeparvathy S. Assistant Manager, South Indian Bank  
30. Smt. Brinda R Agriculture Officer, KSCARD Bank

### **GROUP II**

1. Sri. T. A. Sajikumar LDM, Canara Bank, Malappuram (Group Leader)  
2. Sri. C. Raveendranathan Assistant General Manager, Punjab National Bank  
3. Sri. P. Venugopalan Assistant General Manager, State Bank of India  
4. Sri. V. Mohanan Assistant General Manager, NABARD  
5. Sri. S. Ganesan Chief Manager, Oriental Bank of Commerce  
6. Sri. D. Anil Joint Secretary, Finance Department  
7. Sri. S. L. Suresh Kumar Deputy Secretary, SC Development Department  
8. Sri. R. Radhakumar ADC, Commissionerate of Rural Development  
9. Sri. V. Vijayakumar Deputy Registrar, Directorate of Coir Development  
10. Sri. P. T. Rosamma Joint Director, Industries & Commerce  
11. Sri. Radhakrishnan V. Assistant Director, KVIC  
12. Sri. Anil Kumar K. S. Deputy Director, Directorate of Handloom & Textiles

13. Sri. V. R. Vinod
14. Sri. C. V. Rajan
15. Sri. T. L. Dhamodaran
16. Sri. K. K. Balachandran
17. Sri. Damodaran P. K
18. Sri. Premnath Ravindranath
19. Sri. G. Ravikumar
20. Sri. O. Raveendran
21. Sri. M. Ajitkumar Menon
22. Sri. Biju Kumar D. S.
23. Sri. Madhusoodhanan
24. Sri. George Eapen
25. Smt. Sobha Manoj
26. Sri. K. Sheela
27. Sri. P. N. Ajaya Kumar
28. Smt. G. Dhanya
29. Sri. Henry Thomas
30. Sri. V. Babu

### **GROUP III**

1. Sri. K. R. Jayaprakash
2. Sri. S. Jeyaram Moorthy
3. Sri. Sanjay U. Manohar
4. Sri. M. A. Khan
5. Sri. M. Sreekumar
6. Sri. Y. Srinivasulu
7. Sri. Jacob Idicula
8. Sri. N. S. Gopala Rathnam
9. Sri. P. K. George
10. Sri. K. R. Mohanchand
11. Sri. Thomas T. T.
12. Sri. Anith Thomas Zachariah
13. Smt. V. G. Yamuna Rani
14. Sri. Joseph Mathew
15. Smt. Usha T. Nair
16. Sri. N. K. Sivadasan
17. Sri. D. Sukumar
18. Sri. V. S. Jayaram
19. Sri. T. P. Narayanan
20. Sri. R. Rajagopalan
21. Sri. Alex Thomas
22. Sri. M. K. Prakasan
23. Sri. Ratheesh Babu K. K.
24. Sri. Dinesh K. V.
25. Sri. D. Rajappan
26. Sri. Ignatius M.
27. Sri. Gijo Chandy
28. Smt. Supriya Sreedhar
29. Sri. Vinod George Thomas
30. Sri. Sam Robert C.
31. Sri. Atul Vinod G.
32. Sri. Anishkumar M. S.
33. Sri. Roy Markose
34. Sri. K. S. Padmakumar
35. Sri. Adalarasan S.
36. Smt. Seethalekshmi K.
37. Smt. Jisha V.
38. Sri. N. S. Subramanian
39. Sri. Saktheesh. R.

Assistant Director, MSME-DI  
 Senior Manager, Dena Bank  
 Senior Manager, City Union Bank  
 Senior Manager, Karur Vysya Bank  
 Chief Manager, South Indian Bank  
 General Manager, KFC  
 LDM, SBT, Alappuzha  
 LDM, Canara Bank, Kozhikode  
 LDM, Syndicate Bank, Kasaragod  
 Senior Manager, Indian Bank  
 Manager, State Bank of Travancore  
 Manager, Syndicate Bank  
 Manager, ICICI Bank  
 Manager, UCO Bank  
 Nodal Officer, KVIB  
 Investigator, National Commission for SCs  
 Extension Service Officer, Coir Board  
 Regional Officer, Coir Board

LDM, Union Bank of India, Ernakulum (Group Leader)  
 Deputy General Manager, State Bank of India  
 Assistant General Manager, IDBI Bank  
 Assistant General Manager, Allahabad Bank  
 Assistant Regional Manager, Central Bank of India  
 Chief Manager, Vijaya Bank  
 Chief Manager, Federal Bank  
 Chief Manager, Indian Overseas Bank  
 Chief Manager, SBT  
 Chief Manager, Bank of Baroda  
 Chief Manager, HDFC Bank  
 Chief Manager, Andhra Bank  
 Joint Secretary, Law Department  
 Deputy Secretary, Planning & Economic Affairs Department  
 Under Secretary, Revenue Department  
 Joint IG of Registration, Department of Registration  
 LDM, Indian Bank, Kollam  
 LDM, Syndicate Bank, Kannur  
 LDM, SBT, Kottayam  
 LDM, Canara Bank, Palakkad  
 Senior Manager, United Bank of India  
 Senior Manager, KSCB  
 Senior Manager, North Malabar Gramin Bank  
 Senior Branch Manager, Karnataka Bank  
 General Manager, Janasree Mission  
 Manager, Catholic Syrian Bank  
 Manager, Tamilnad Mercantile Bank  
 Manager, Lakshmi Vilas Bank  
 Credit Manager, ICICI Bank  
 Manager, State Bank of Hyderabad  
 Manager, IDBI Bank  
 MF Team Leader, Kudumbashree  
 Branch Manager, LIC of India  
 Nodal Officer, SC Development Department  
 Assistant Manager, Corporation Bank  
 Assistant Manager, Indian Bank  
 Assistant Manager, NABARD  
 DCO, Central Bank of India  
 Senior Sales Officer, SALES

## **PARTICIPANTS ON 26.06.2013 - PLENARY SESSION**

### **CHAIRMAN OF THE MEETING**

**Sri. R. K. Dubey**

Chairman & Managing Director, Canara Bank

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

- |                                  |  |
|----------------------------------|--|
| 1. Sri. P. H. Kurien, IAS        | Principal Secretary, Information Technology Department       |
| 2. Sri. K. R. Jyothilal, IAS     | Secretary, Agriculture Department                            |
| 3. Sri. T. J. Mathew, IAS        | Secretary, Revenue Department                                |
| 4. Smt. K. B. Valsala Kumari     | Executive Director, Kudumbashree                             |
| 5. Sri. P. Bala Kiran, IAS       | Director, Akshaya State Project                              |
| 6. Sri. P. Regi Varghese         | Additional Secretary, Planning & Economic Affairs Department |
| 7. Smt. V. G. Yamuna Rani        | Joint Secretary, Law Department                              |
| 8. Smt. D. Sailajikumari Amma    | Joint Secretary, Labour Department                           |
| 9. Sri. S. Varghese              | Deputy Secretary, Higher Education Department                |
| 10. Smt. Sarojini K. T.          | Director, Dairy Development                                  |
| 11. Sri. Sam C. Ittycheria       | Director, Handloom & Textiles                                |
| 12. Smt. K. P. Laliithamaneey    | State Director, KVIC   |
| 13. Dr. Jossit Kurian            | Additional Director, Directorate of Coir Development         |
| 14. Sri. C. R. Ramesh            | Additional Director, Directorate of Agriculture              |
| 15. Dr. P. K. Velayudhan         | Additional Director, Directorate of Collegiate Education     |
| 16. Smt. P. T. Rosamma           | Joint Director, Directorate of Industries & Commerce         |
| 17. Smt. Smitha R. Nair          | Deputy Director, Fisheries Department                        |
| 18. Sri. N. K. Sivadasan         | Joint IG of Registration, Department of Registration         |
| 19. Sri. V. Muraleedharan Pillai | Deputy Registrar, Co-operation Department                    |
| 20. Sri. C. Edison               | Assistant Registrar, Co-operation Department                 |
| 21. Sri. S. Rajan                | Deputy Rubber Production Commissioner, Rubber Board          |
| 22. Sri. C. S. Mohana Kumar      | Senior Finance Officer, Directorate of Technical Education   |
| 23. Smt. Savthadutt T. S.        | Senior Finance Officer, Commissionerate of Land Revenue      |
| 24. Sri. Muraleedharan G.        | State Nodal Officer, NRHM                                    |
| 25. Sri. Anish Kumar M. S.       | MF Consultant, Kudumbashree                                  |
| 26. Smt. P. Indu                 | Programme Officer, Kudumbashree                              |
| 27. Sri. K. S. Padmakumar        | Nodal Officer, SC Development Department                     |
| 28. Sri. V. R. Vinod             | Assistant Director, MSME-DI                                  |
| 29. Smt. Deepa V.                | Section Officer, Labour Department                           |
| 30. Sri. Premnath Ravindranath   | General Manager, KFC   |
| 31. Sri. D. Rajappan             | General Manager, Janasree Mission                            |
| 32. Sri. Sudheera Kumar J. T.    | Assistant Manager, United India Insurance Co. Ltd.           |
| 33. Sri. Sony Jacob              | System Manager, Directorate of Collegiate Education          |
| 34. Sri. Noushad P.              | SSA, UIDAI   |

### **RESERVE BANK OF INDIA**

- |                             |                           |
|-----------------------------|---------------------------|
| 1. Sri. Salim Gangadharan   | Regional Director         |
| 2. Sri. K. Santhakumar      | Deputy General Manager    |
| 3. Sri. V. Reveendran       | Assistant General Manager |
| 4. Sri. K. R. Radhakrishnan | Manager                   |

### **NABARD/SIDBI**

- |                             |                                   |
|-----------------------------|-----------------------------------|
| 1. Sri. R. Amalorpavanathan | Chief General Manager, NABARD     |
| 2. Sri. Vinod C             | Assistant General Manager, NABARD |
| 3. Smt. Daisy Xavier        | Manager, SIDBI                    |

## **STATE BANK GROUP**

- |                         |                             |
|-------------------------|-----------------------------|
| 1. Sri. A. J. D'Souza   | General Manager, SBI        |
| 2. Jeyaram Moorthy      | Deputy General Manager, SBI |
| 3. Sri. Ganesh V. Hegde | Deputy General Manager, SBT |
| 4. Sri. P. K. George    | Chief Manager, SBT          |
| 5. Sri. Sam Robert C.   | Manager, SBH                |
| 6. Sri. V. K. Mohanan   | Manager, SBM                |

## **PUBLIC SECTOR BANKS**

- |                                |   |
|--------------------------------|---|
| 1. Sri. T. C. John             | Deputy General Manager, Union Bank of India     |
| 2. Sri. M. S. M. Varma         | Deputy General Manager, Syndicate Bank          |
| 3. Sri. C. Haridas             | Deputy General Manager, Indian Overseas Bank    |
| 4. Sri. V. A. Prasanth         | Deputy General Manager, Indian Bank             |
| 5. Sri. K. Salim               | Circle Head, Punjab National Bank               |
| 6. Sri. C. Raveendranath       | Assistant General Manager, Punjab National Bank |
| 7. Sri. S. R. Kamath           | Assistant General Manager, Corporation Bank     |
| 8. Smt. Maya M. C.             | Assistant General Manager, Vijaya Bank          |
| 9. Sri. M. A. Khan             | Assistant General Manager, Allahabad Bank       |
| 10. Sri. Sanjay Manohar        | Assistant General Manager, IDBI Bank            |
| 11. Sri. Rajshekar Bhaskaran   | Regional Manager, Central Bank of India         |
| 12. Sri. B. Akbaraly           | Zonal Manager, Central Bank of India            |
| 13. Sri. C. V. Guruvayurappan  | Zonal Manager, UCO Bank                         |
| 14. Sri. Prabhakara Babu       | Deputy Zonal Manager, Bank of India             |
| 15. Sri. K. R. Mohanchand      | Chief Manager, Bank of Baroda                   |
| 16. Sri. S. Ganesan            | Chief Manager, Oriental Bank of Commerce        |
| 17. Sri. Anith Thomas Zacharia | Chief Manager, Andhra Bank                      |
| 18. Sri. Alex Thomas           | Senior Manager, United Bank of India            |
| 19. Sri. C. V. Rajan           | Senior Manager, Dena Bank                       |
| 20. Sri. Biju Kumar D. S.      | Senior Manager, Indian Bank                     |
| 21. Sri. N. S. Subramanian     | DCO, Central Bank of India                      |

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

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|----------------------------|--|
| 1. Sri. G. Sreeram         | General Manager (Convener, SLBC, Kerala) |
| 2. Sri. S. S. Bhat         | General Manager                          |
| 3. Sri. C. G. Nair         | Deputy General Manager                   |
| 4. Sri. K. R. Balachandran | Deputy General Manager                   |
| 5. Sri. Tomy Sebastian     | Assistant General Manager                |
| 6. Sri. K. R. Arun Kumar   | Senior Manager                           |
| 7. Sri. Babu Venkitesh K   | Manager                                  |

## **REGIONAL RURAL BANKS**

- |                       |                     |
|-----------------------|---------------------|
| 1. Sri. Shaji K. V    | Chairman, SMGB      |
| 2. Sri. P. Madhu      | Chairman, NMGB      |
| 3. Sri. Joseph Cyriac | Chief Manager, NMGB |
| 4. Smt. Marykutty P.  | Chief Manager, SMGB |

## **PRIVATE SECTOR BANKS**

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|-------------------------|--|
| 1. Sri. K. I. Varghese  | General Manager, Federal Bank                |
| 2. Sri. P. V. Antony    | Deputy General Manager, Catholic Syrian Bank |
| 3. Sri. Muraleedharan M | Deputy General Manager, Dhanlaxmi Bank       |
| 4. Sri. Jayakumar Nair  | Deputy General Manager, ICICI Bank           |
| 5. Sri. P. Thiagarajan  | Assistant General Manager, City Union Bank   |
| 6. Sri. James Vadakkan  | Regional Head, ING Vysya bank                |
| 7. Sri. Roy Varghese    | Deputy Vice President, AXIS Bank             |
| 8. Sri. Jayamohan I. S. | Chief Manager, Federal Bank                  |
| 9. Sri. Damodaran P. K. | Chief Manager, South Indian Bank             |
| 10. Sri. T. Sowrirajan  | Chief Manager, Lakshmi Vilas Bank            |
| 11. Sri. E. T. Rajesh   | Chief Manager, Karur Vysya Bank              |
| 12. Sri. T. T. Thomas   | Chief Manager, HDFC Bank                     |
| 13. Sri. Dinesh K. V    | Senior Branch Manager, Karnataka Bank        |
| 14. Sri. Gijo Chandy    | Manager, Tamilnad Mercantile Bank            |
| 15. Smt. Sobha Manoj    | Manager, ICICI Bank                          |

## **CO-OPERATIVE BANKS**

- |                             |   |
|-----------------------------|---|
| 1. Sri. V. Prabhakaran Nair | General Manager, Kerala State Co-operative Bank |
| 2. Sri. S. Perumal          | ADM, KSCARD Bank                                |
| 3. Smt. Aparna Prathap      | CIO, KSCARD Bank                                |

## **LEAD BANK OFFICES**

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