

**STATE LEVEL BANKERS' COMMITTEE, KERALA**  
(Under Lead Bank Scheme)

**Convenors:** केनरा बैंक  **Canara Bank**

**Ref: SLBC 49 50 2018 GN**

**Date: 21<sup>st</sup> May, 2018**

(All Members of SLBC)

Dear Sir,

**Sub: Minutes of the 124<sup>th</sup> Meeting of SLBC, Kerala**

We are forwarding herewith the minutes of the 124<sup>th</sup> Meeting of SLBC, Kerala held on 23<sup>th</sup> March, 2018 at Hotel Residency Tower, Government Press Road, Trivandrum.

Developments on action points initiated/to be initiated at your end may please be intimated to us so as to apprise the next meeting of SLBC, Kerala.

Thanking you,

Yours faithfully,



**G.K. Maya**  
**Convenor, SLBC, Kerala**  
**& General Manager, Canara Bank**

**All communications to be addressed to:**

General Manager  
Canara Bank, **SLBC Cell**  
Circle Office, Canara Bank Bldg.  
P.B.No.159, M.G.Road  
Thiruvananthapuram -695 001

Phone : 2331302 (Direct),  
2331051 Ext .608,609  
Fax : 0471 2338236 /  
2331355

E-mail : [slbckerala@canarabank.com](mailto:slbckerala@canarabank.com)

Website: [www.slbckerala.com](http://www.slbckerala.com)

# राज्य स्तरीय बैंकर समिति, केरल

(अग्रणी बैंक योजना के तहत)

संयोजक : केनरा बैंक  Canara Bank

संदर्भ : रास्तबैंस 49 50 2018 जी एन

21 मई 2018

(सभी सदस्य )

प्रिय महोदय ,

विषय : 124 वीं राज्य स्तरीय बैंकर्स समिति, केरल की बैठक के कार्यवृत्त

राज्य स्तरीय बैंकर समिति 23 केरल की ,मार्च 2018 को होटल रेसिडेन्सी टावर ,सरकारी प्रेस रोड , तिरुवनंतपुरम में आयोजितकिये गए बैठक के कार्यवृत्त इसके साथ भेज रहे हैं ।

कार्य बिन्दुओं पर आपकी ओर से की गई / की जानेवाली कार्रवाई की प्रगति हमें सूचित की जाए ताकि रास्तबैंस की अगली बैठक में उन्हें अवगत करा सकें ।

सधन्यवाद

भवदीय



जी के माया  
महाप्रबंधक , केनरा बैंक  
एवं संयोजक , रास्तबैंस, केरल

मूसी पत्राचार इस पते पर भेजें  
महा प्रबंधक, केनरा बैंक एवं संयोजक रास्तबैंस, केरल  
केनरा बैंक, रास्तबैंस कक्ष,  
अंचल कार्यालय, केनरा बैंक बिल्डिंग पी वी सं 159  
एम जी रोड, तिरुवनंतपुरम 695001

दूरभाष 0471 2331302 (सीधे )  
2331051 वि 608,609  
फैक्स 0471 2338236 2331355  
ई-मेल : slbckerala@canarabank.com  
वेबसाईट : [www.slbckerala.com](http://www.slbckerala.com)

**MINUTES OF THE 124<sup>th</sup> MEETING OF  
STATE LEVEL BANKERS' COMMITTEE, KERALA**

Held on 23.03.2018(Friday)  
At Hotel Residency Tower  
Govt. Press Road, Trivandrum

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

**Smt. G. K. Maya**, Convener, SLBC Kerala & General Manager, Canara Bank welcomed the participants. In her welcome speech, she touched upon the following.

This year end, is a very crucial one for the banks .With the Non performing assets rising, the banking horizon is cloudy. These are trying times for banks. Corporate malpractices and system-violations are being unearthed with every passing day. These are eye-openers – alarm bells that are sounded to make us vigilant. Time and again such things happen – temporary turbulences that disturb us. But these are just corrective forces. Indian banking sector is robust enough to come out of such situations. It is proved again and again. But the common man has an impression that it is the large corporate loans that alone contribute to the malady. This impression is not correct. The general public does not realize that banks operate on a thin margin between the cost of funds and return on assets . It is a very sensitive equilibrium. Therefore delinquency at all tiers and buckets affect the system. When a 10000 rupee DRI loan becomes unrecoverable it washes away the net interest margin earned from a Rs.5 lakhs loan. If you see the Kerala Statistics, NPAs are the small ticket sizes. Take the MSME sector for instance. The NPA in MSME in the state is 9 % against the overall percentage of 4 % for total advances . MSME is the biggest contributor to the total NPA in the state and the average ticket size of the MSME NPA is Rs 3 lakhs.

Coming to the banking sector performance, a detailed overview of the performance will be made by the Chairman of the meeting. As in the previous SLBC meeting, we are displaying three slides on the major parameters of performance, before we go to the agenda discussions. This time the performance review was placed in the steering committee. The three newly constituted sub committees also have reviewed the same. The reports of these committees are placed in the forum as table item.

She also mentioned briefly about some of the major agenda items placed for the day's discussions. One agenda is the information note on decisions of SLBC Sub Committee on Cashew sector . As desired by the Hon'ble Chief Minister, 14 banks have kept the recovery measures in abeyance till May 31st 2018, to give the borrowers an opportunity to submit revival proposals. She stated that circumstances that led to the crisis in the cashew industry were not created by the banks and banks alone cannot solve them also. The causes are due to a combination of factors like the high cost of raw nuts, high production cost, hike in import duty, poor management and financial indiscipline. But so far we have been trying to address the issue through bank loan restructuring and pumping of fresh funds. Unless the core issues are addressed, the positive steps taken by banks will only serve to delay the inevitable.

Coming to the Education loan Repayment support scheme, till now, SLBC has forwarded to the government, claims for more than 20 crores. Due to portal related issues, there was delay in enabling online applications and processing of the same. Now the process is going ahead smoothly and requested the government to start the settlement process without delay. In this regard, we cannot ignore a fall out in the field. At the time of announcement of the scheme, NPA level under Education Loan was 10 % . It has now shot up to 17 % . The message is loud and clear.

In the current financial year itself there is a 35 % growth in Education Loan NPA. Coming to the Scheduled Tribes Debt Relief Scheme, Out of the Rs. 39 crores allotted to the scheme, only Rs.9 crores has been utilized. She urged all stake holders to pay their attention to the matter.

Under the Life Mission scheme of Govt of Kerala , Twelve banks have expressed their interest in partnering a lenders' consortium to finance Life Mission. The broad parameters set by the banks have been communicated to the Life Mission and its response is awaited.

Another matter which she brought to the notice of the government is regarding Bank guarantees issued for students to secure admission in private medical colleges. She requested the Fee Regulatory commission to notify the fees as early as possible. Guarantees are for 6 months duration. Many of them will expire in April 2018. Unless the fees are notified immediately the colleges will be compelled to invoke these guarantees.

**Sri. M.V. Rao**, Executive Director, Canara Bank and chairman of the meeting in his presidential address extended a hearty welcome to all participants on behalf of SLBC Kerala and touched upon the following

We are in the midst of hectic business as yearend is fast approaching for financial sectors to know their strength and weaknesses. India's economic success in recent years has helped to ensure that India is topping as one amongst the fastest-growing region in the world – but it faces significant challenges alongside its opportunities for the fast growth.

Though Kerala has been upbeat about its high growth rate in GDP which consistently stood above the national average, the latest statistics of the Central Statistical Organization paints a different picture. The growth in the State economy now lags behind the national average. As per the Economic Review report, the GDP growth rate that continuously stood above the national average began to show a declining trend from 2012-13 and it further slid to 7.4% in 2016-17, almost at par with national average of 7.2%.

In November 2014, Kerala became the first state in India where every household had access to at least one bank account. The Ministry of Finance applauded this achievement, declaring it a “100% saturated State”. However, a recent estimate found that a large number of accounts are dormant or inoperative and further that many individuals hold multiple accounts. Yet Kerala remains a leader in Financial Inclusion in India and thus the industry can learn from its accomplishments.

The current financial year commenced with the predictions of a deficient monsoon. However, by the grace of nature, we had a near-normal monsoon all over the country and he commenced today's proceedings on a positive note.

During the past 3 years, the country had witnessed various initiatives that were being channelized through the banking sector namely, Financial Inclusion, extension of banking services to the unbanked areas, Social Security Schemes etc. The ultimate success of these initiatives calls for serious efforts from all the stake holders, in the process of implementation.

This SLBC Kerala has always been in the forefront in implementation of Government directives and the State Government objectives in particular. This has become an effective forum that has ensured the integration of the efforts of banking sector, various Government and Non-Government institutions that facilitated the overall socio-economic development of the state. Our SLBC, is one of the most vibrant and proactive SLBCs in the country.

During the December quarter, the state witnessed improvement in Branch network. Alternate delivery channels like ATMs have been given due thrust by installing additional ATMs. With this, a total of 8984 ATMs have been deployed in the state, out of which, 7075 ATMs have Braille keypad. Besides, the banks have established Banking kiosk channels in the form of Akshaya Centres and BCAs in Sub Service Areas (SSAs).

Public sector banks account for 48 percent of all financial access points in Kerala, signifying the strategic importance of these banks in the drive to financial inclusion. However, by drilling down to the district level, it becomes clear that these are concentrated heavily in two districts, one of which is the state's administrative headquarters and the other being the commercial capital. So, although public sector banks account for a large portion of all access points in Kerala, they are not effectively reaching the desired segments of the population.

To overcome this stigma he requested the banking fraternity to put forth whole hearted effort in opening banking outlets where population is more than 5000 and increase the services by BCs in far reaching areas where banking outlets are not possible. This would enable the State to have 100% financial inclusion and also to improve the living conditions of the people of State in particular. In the first phase as directed by RBI 100% villages have been covered. As a second phase to the same, RBI directed SLBC to conduct fresh survey to identify any left out villages in light of the reorganization of Revenue Villages done by the Government of Kerala. As per the preliminary report submitted by the SLBC, in three districts survey is yet to be completed. He requested the SLBC to coordinate with member banks to identify and open the remaining Banking outlets at the earliest, so as to declare 100% coverage of villages in compliance of the RBI direction, yet another achievement for the state.

In terms of business - Commercial banks have a Total business of Rs.705495 Crores in the State. There was an increase of Rs. 12483 Crores over the previous quarter. The Deposits increased by Rs. 6609 Crores to Rs. 428573 Crores and Advances increased by Rs. 5874 Crores to Rs. 276922 crores. NRE deposits witnessed a Y-o-Y growth of 15%, with an outstanding level of Rs 267074 crores.

- Deposits have registered a growth rate of 1.54% where as the advances have grown by 2.12%.
- The performance of Banks under priority sector, agriculture and weaker sections, is well above the mandatory levels of 40%, 18% & 10% of Gross credit, with outstanding levels of 57%, 24% and 14% respectively.
- The priority sector advances have grown by 2.77% to Rs 158296 Crores and Agriculture sector has shown a growth of 3.32%, with the outstanding level of Rs 66061 Crores.
- Advances to SME sector however have shown only a moderate growth, which is a matter of concern, and needs to be addressed by all banks immediately.
- Further in respect of Priority Classification of advances, RBI has advised removal of the ceiling on credit limits to Micro, Small and Medium Enterprises under Service sectors which was stipulated earlier. This will be a boon to bankers to bridge the gap if any under Priority Sector advances.
- The achievement under Annual Credit Plan (ACP) is not encouraging. Banks have achieved the targets under Primary sector during the quarter with the achievement of 85% of ACP. However, missed the targets under Secondary and tertiary Sector with the level of 69% of ACP. Though the overall achievement of 76% in all sectors put together is satisfactory we must strive to achieve the quarterly projected levels in all segments.
- All the banks together have disbursed Rs 5665 Crores under MUDRA loans during period ended December 2017.
- All the banks together have mobilised close to over 39 lac enrolments under the three Social Security Schemes (PMJJBY, PMSBY & APY).

The banks in the State have performed well under many of the parameters. But, there are a few concern areas requiring immediate attention of all - main area being the increasing NPAs.

With the Non Performing assets rising, many banks had to show negative in their Balance sheet. Further due to increase in NPA many banks are under the potential threat of slipping to PCA [Prompt Corrective Action] unless their figures improve by this year end. A few banks have already been placed under the PCA.

However, the bankers will have a relief in classification of loans under MSME by having cushion up to 180 days for treating it as NPA from the current 90 days concept, subject to certain conditions as per GST regime.

CD ratio has been an area of concern. Kerala continues to be the hub of Non-resident deposits and notable increase in NRI deposits coupled with tardy growth of advances, has marginally increased CD ratio to 65% as at December 2017, from 64% as at September 2017. Deposits & NR deposits have witnessed growth rate of 7% & 9% respectively. The CD ratio needs further improvement. He urged the banking fraternity to take a serious note on this.

He requested banks to explore newer areas of lending, look for opportunities for credit expansion and extend finance to all feasible bankable ventures that are coming up in the state. He said that the meagre growth under MSME sector directly indicates that the potential in these areas are yet to be fully utilised. Agro processing, facilities under tourism & health, small and medium industries, loans under Stand Up India, MUDRA all offers an excellent opportunity for credit expansion to augment the credit growth, thereby helping to achieve a desirable C:D ratio.

The Government of India has given a call to ensure doubling of farmers' income by 2022, which is a mammoth task. It is also one that is the need of the hour. With majority of the country's population dependant on agricultural activities, no true development can be said to be meaningful unless it incorporates the needs of this sector. In addition to pressure from local money lenders, increasingly erratic weather patterns also add to the problem. There are, of course intense complexities. Nonetheless, the focus of the Government and banks on this sector is much needed. The walk to doubling income is a long, tedious one. But at least a step has been taken in that direction. The bankers and Government now need to ensure that the implementation by all stakeholders is uniform, effective and done whole heartedly.

Bankers can play an active role in extending investment credit in agriculture, which would boost productivity and income per unit of land and maximisation of income for farmers through post harvest management. In this regard it was informed that the steering committee of SLBC recommended, constituting a sub committee comprising of RBI, NABARD, SLBC and State Agriculture Department for formulating and monitoring an action plan to achieve the goal.

Coming to Financial Inclusion, a lot of responsibility now rests on the bankers in reaching out to the customers through various financial inclusion programmes namely, Activation of Business correspondents, Activation of PMJDY accounts, Issuance and Activation of Rupay Cards etc which are all to be taken on war footing.

Aadhaar seeding & Authentication process in all accounts are to be completed on priority, to ensure 100% Aadhaar authentication in bank accounts. Kerala has the highest level of Aadhaar Enrolment and hence Aadhaar Seeding & authentication of bank accounts should be a relatively easier task, compared to other states. All commercial banks are opening Aadhaar enrolment centers at select branches for enabling the customers for Aadhaar enrolment as well as updations. These centres will have to be made active before 31.03.2018.

Financial Inclusion initiatives in the form of Pradhan Mantri Jan-Dhan Yojana, along with all its offshoots like, Social Security Schemes, Mudra Yojana, have all achieved considerable success in the state, in taking banking to the doorsteps of the under privileged. However, bankers still have a significant role in ensuring that these benefits are availed by the intended beneficiaries. We need to promote PMJDY Overdrafts, MUDRA Loans with CGTMSE coverage and Education loans, to prevent people from approaching money lenders for their credit needs.

In this context, He urged all bankers to promote digital payments under National Digital Payment Mission and BHIM AADHAAR Bharat E Pay, to fall in line with Central Government directives on digitalization.

Government of India has also taken up the task for accelerating development in the 115 most backward districts of the country; Wayanad district in Kerala finds a place. So more focus of both bankers and the State Government machinery, need to be provided to this district.

Cashew industry in Kerala is also facing a serious setback and as requested by the Honourable CM of Kerala, SLBC held two sub-committee meetings during February 2018 to deliberate on the various issues in the Cashew sector and to draw purposeful resolutions. As decided in the above meeting of SLBC, the revival proposal for the hard hit Cashew industries is to be considered within the frame work of RBI guidelines.

Before concluding, he urged all the stake holders to concentrate on certain priorities such as;

1. Opening of banking outlet in the remaining unbanked villages.
2. 100% Aadhaar seeding & authentication in all operative accounts.
3. Financial Literacy, which is a key factor for the PMJDY initiatives, is to be imparted successfully. Hence FLCs are to be made more efficient and counselors are to be appointed in all vacant posts by the respective Banks.
4. Activation of all BC outlets are to be done on Priority.
5. Clearing the backlog of issuing and activation of RuPay Cards for all those who have already opened accounts, and also on a day to day basis for the new accounts being opened.
6. Banks to focus on achieving the set targets under Annual Credit Plan.
7. The pending applications under the State and Central Government schemes are to be sanctioned and the targets to be achieved well before the year end.

Finally, on behalf of the convener Bank, it was gratifying to note that the Banking sector in the state has displayed vibrancy in all the endeavors of the State Government. He thanked the Central and the State Governments and various developmental agencies, RBI and NABARD for their excellent support, guidance and co-operation rendered to the banking sector in the State over the years. He congratulated all the fellow bankers for their significant contribution in improving the economy of the State, and for partnering the process of growth and development, more so with special reference to taking banking to the doorsteps of the financially excluded segment.

It is also gratifying to note that the state Govt. has been extending all possible support to the banking fraternity. A cordial and mutually supporting relationship continues to exist between Banks and the State Government in Kerala. On behalf of all the bankers in the State, he thanked the entire Government machinery of Kerala State for the support being extended to the bankers.

**Shri. Paul Antony IAS Chief secretary, Govt of Kerala** commenced his speech by thanking NABARD with the help of whom, the government was able to ensure the RIDF allotment for the state. He requested the bankers to help the state to put it on the path of rapid growth. Various steps are being taken by the government to improve the growth ecosystem in the state.

- Coming to the “Ease of Doing Business”, the Kerala Assembly was deliberating on the Ease of Doing Business amendments. So once it is converted into law hopefully a lot of issues that the investor faces at the grassroots level would come down.
- Coming to the Industrial growth, Government of Kerala is committed in acquiring almost 500 acres of land for industrial and other purposes. This acquisition would be realized mainly through KINFRA.
- Coming to the “#Future conclave”, Kerala’s first-ever Global Digital Summit which is being held at Kochi will see senior state government officials holding talks with industry leaders and top executives of some of the world’s leading companies to learn how to embrace the new wave of IT sweeping across the world. The event was inaugurated by Hon’ble Chief Minister Sri. Pinarayi Vijayan.
- Coming to the IT sector, the Technocity project is moving ahead as planned.
- Coming to the Kannur International airport, he hoped that by September the airport would get inaugurated, thereby opening up a lot of investment opportunities.
- In the case of the upcoming petrochemical complex in Kochi, the government is in the process of taking over of 47 acres of land from FACT. BPCL is the anchor investor in this major venture.
- Central Commerce Ministry recently constituted a Rubber Task Force in response to the request from Kerala government. It is for the first time that the central commerce ministry is involving the state also in formulating the policy on how the rubber sector can be taken forward.
- One particular area that is to be given focus is the reduction in Interest rates. The state owned KFC have lowered their lending rates by three to four percent to reach 8.45 percent. Although the banks have been hit by rising NPA’s and massive scams in certain parts of the country, the Kerala government is offering full support to the banking system.

He requested the banks to look into the various ventures projected by the government with a friendly view and help the investors in a more generous way. He congratulated the bankers in achieving almost all the targets that has been set.

**Dr Sharmila Mary Joseph IAS, Principal Secretary (Planning and Economic Affairs) , Govt of Kerala** in her address informed that although the CD ratio target fixed for the state has been achieved, there are a few districts where the CD ratio is below 40 percent which includes Pathanamthitta district. She requested the SLBC to look into the credit support facilities being undertaken in the district and to address the reason for the low CD ratio in this district.

- Coming to advances, the state has achieved the target in the priority sector lending . But when it comes to NPA, MSME sector is having 38 percent of total NPA’s, agriculture having 13.38 percent, Education loan having 16.72 percent. From this data, it can be inferred that out of the total loans extended to the Educational sector, 17 percent end up as NPA’s. This is an area of concern because a large number of students are availing educational loans as they seek higher education and better educational facilities in reputed institutions. Just as the SLBC convener mentioned, the guarantee that the state government extended to the students who availed

educational loans for getting admission to private medical colleges will expire next month. Planning department is in touch with the Fee Regulatory Commission, which is yet to come up with the final figures.

- Coming to the issue of giving concession to the small borrowers in the context of the SARFAESI Act, the Kerala assembly had passed a resolution requesting the Govt of India to amend the section 31 of the SARFAESI Act 2002 to exempt those with only 5 cents of land or below from its purview. Some cases has been reported where the banks have gone hammer and tongs against the defaulters. The Kollam District Collector has mentioned about a case where an old defaulter was rendered houseless and landless as the action was taken under the relevant provision of the SARFAESI Act. The planning department is following up with the department of Financial Services ,Govt of India to examine whether the resolution passed by the state assembly could be considered for this exemption.
- Coming to the most backward district initiative, recently the NITI Ayog has rechristened it as “Aspirational District Initiative”. Wayanad district happens to be in that list where not only the governmental efforts but also the banking fraternity’s efforts are to be strengthened and extended to the different areas of the district so that the aspirational districts would be able to achieve their aspirations in the next few years.
- Coming to the Aadhaar seeding, Kerala has the highest seeding of aadhaar with bank accounts. But as per the recent Supreme Court order there is no compulsion for the existing bank accounts to be seeded with aadhaar. It has been made mandatory only for the newly opened bank accounts.
- The Kerala Development and Innovation Strategic Council (K-DISC), which is going to be inaugurated by the honorable Chief Minister at Kanakakunnu palace on March 24<sup>th</sup> , 2018. This Strategic and Innovation council would prepare a road map for new ideas and new innovations in different sectors so as to herald better development prospects in different areas.

**Sri. Teeka Ram Meena IAS Secretary (Agriculture) Govt of Kerala** in his address discussed the major policy decision of Government of India to double the farmers income. The GOI in the budget speech, has announced that 150 percentage of the minimum Support price and the input cost will be met by the government which is a positive indication to help the farmers.

The Debt Relief Commission set up in 2007 in the state is doing a very good job. Fortunately in the recent past, no farmer suicide cases have been reported. Thus a very good mechanism is working in the state but commercial banks are not a part of that. The loans which are taken by the farmers from the cooperative sector banks are being waived off by the Government of Kerala upto the tune of Rs 50000.

Coming to the Rubber sector, rubber farmers in Kerala are having tough time in the recent past. This is the reason why government has set up a Joint Task Force headed by the Chief Secretary of

the state to give recommendations to the GOI to help the farmers in the rubber sector. Unfortunately, Rubber is a cash crop and is not falling under the category of agricultural produce. Therefore many of the benefits which are given by the GOI's ministry of Agriculture for the agricultural produce is not available to the rubber farmers.

Coconut is also one of the major crops in the state which is facing a serious problem as far as productivity and production is concerned. Compared to Andhra Pradesh and Tamil Nadu, our productivity is low. In Kerala, per hectare production is about 7500 nuts whereas in Andhra Pradesh and Tamil Nadu, it is about 13000 to 14000 nuts. Hence the major challenge is to increase the productivity. Area wise Kerala is still the largest coconut producing state in the country but low productivity is the major concern. A lot of diseases are affecting the coconut cultivation in Kerala, therefore "Replanting and Cutting Unproductive tree Scheme" is already being implemented by the government of Kerala. Government has recently declared Malappuram and Calicut as Special Agricultural Zones as far as coconut cultivation is concerned. Coconut agro parks will also be set up in those areas, so that value addition activities can be started. The focus should also be given to the value addition activities because until we start the value addition activities and food processing units, the income is not going to be doubled.

For bananas, agro park will be set up in Thrissur, for Flowers in Malappuram, for vegetables in Idukki, for rice in Thrissur and Kuttanad area. These are some of the initiatives taken by the government.

For the 'per drop more crop scheme' and PMKSY, for the first time 25 crores has been allocated for the state. Using this 25 crores micro irrigation and drip irrigation projects can be initiated. An action plan of 30,000 crore has been submitted to GOI for the next 5 years.

Recently jackfruit has been declared as the official fruit of the state. The largest tree borne fruit that is known for its distinctive taste and aroma has got tremendous potential for making value added products. But 30 percent of the total jackfruit produced are being wasted. In October last year, an international seminar was conducted at Wayanad. Lot of international experts came over there and suggested to start Value Addition Units. In Mala area a Jack fruit processing unit has been started. Realizing the importance of jackfruit, more number of VAU are going to be started. So he requested the bankers to come forward and help the investors.

Govt of Kerala is also keen on promoting organic farming initiative. Indiscriminate use of chemicals and fertilizers is causing a lot of health problems to the people, therefore consciously the government is trying to promote this farming method. A lot of apprehension exists among the farmers regarding the economic viability of organic farming. It should be noted that some of the experiments conducted in Wayanad proved that it can be profitable. Kerala Agricultural University is also helping in this initiative. In the recently concluded World Organic Congress In Delhi, Buyers from foreign countries like USA, Germany and other western countries were demanding organic products only. Hence the focus is now on organic farming. Banks can play a vital role in

this. In the recently held Kerala Global Sabha, Entrepreneurs from gulf countries demanded organic vegetables.

In Vattavila and Kanthalloor areas of Idukki district, farmers are producing special varieties of garlic, potatoes and jaggery. But farmers at these places are being exploited by the local money lenders due to the lack of banking network. Recently KGB has opened a branch at this place but more support is needed from the banking sector.

As a part of the Haritha Kerala mission, fallow lands are to be brought under cultivation particularly vegetable cultivation through various institutions like JLGs, Kudumbasree, farmers societies etc. As a result, in one year about 24000 hectares of fallow land are brought under cultivation. The total cultivation area has been increased from 1.96 lakh hectares to 2.20 lakh hectares in a year.

Agriculture is a major sector which needs a lot of support from the banking sector. So he requested the bankers to come forward and rise to the expectations of the farmers.

**Dr. K. Ellangovan IAS, Principal Secretary (Department of Industries and Commerce & NORKA) Govt of Kerala** in his address informed that statistics shows that the NDPREM scheme of NORKA department to rehabilitate returning keralites has not taken off in the field. As on 31<sup>st</sup> December, NORKA department has received about 11331 applications out of which the department has recommended 4290. But the loans sanctioned by the banks is only 516 which is close to only 10 percent of what the department has recommended. The department recommends only 20 percent of the received applications. There is huge gap in the implementation of the scheme. He requested the SLBC to discuss this issue with the member banks.

Coming to the Industries department, Many cluster development programs and MSMSE programs are going on. Many industrial parks are available. In the industries sector, many schemes are available and once the loans are disbursed, the banks tend to lose touch with the customer until there is a default in the payment. The term 'Customer Engagement' means to engage a customer even after the loan is disbursed so that even the minor aberration from what the project is intended can be corrected in the mid course. Presently the banks are waiting till the loans become NPA and as a result the whole project scheme gets a negative colour. Standard Operating Procedures should be made for customer engagement because all the MSME programs unless they are forward linked, seldom will be successful in the short term. In the context of Kerala, forward linkages need not be within the state, it can be between the states also. Hence Forward linkages and customer engagement are two things the bankers should discuss and come up with Standard Operating Procedures so that the number of defaulters would come down.

Cashew Sector in Kerala is in great distress because of the high cost of raw nuts. Government is actually engaged in various means and methods to procure raw cashew nuts in a very competitive manner, but a solution seems to be very elusive because there is no standard procurement

mechanism whereas in private sector, the procurement process is going well since there is no scrutiny of the process adopted. Hence the procurement of raw cashew nuts by the government is always been a great challenge. Hence the cashew industry needs a little more lenient approach from the banking sector.

**Shri. Minhaj Alam IAS Secretary(Finance Resource) Govt of Kerala** in his address informed that the State government has implemented ELRS scheme last year. The banks have received applications from the students. In order to minimize the errors while processing, he requested the bankers to kindly follow the guidelines properly so that the variation in the amount can be eliminated. At the state level also, the forwarded applications are thoroughly checked to ensure that the amount recommended is correct as per the guidelines.

Coming to the HBA[House Building Advances] securitization, the department has asked banks to give recommendations but only Canara Bank has given its recommendation and the department has given inprinciple approval to that. He hoped that Canara bank will disburse 500 crores as soon as possible. Other banks are yet to come up with their recommendations. From next year onwards, the government has decided to scrap HBA and is planning to introduce subvention scheme so that the beneficiaries can take loans from the banks and the government would give the necessary subvention. SLBC informed the department they would give a proposal to implement this.

He thanked the bankers for their support they had given to the finance department.

**Smt. Uma Sankar Chief General Manger, Reserve Bank of India** in her address stated that SLBC Meeting has proved to be an effective forum for convergence of efforts of all the stakeholders in order to ensure the holistic development of the State.

The important transformations that took place in the recent past were the demonetisation of high value notes; introduction of goods and services tax (GST) and the problem of surging non-performing assets that have created uncertainty in India's financial sector landscape.

As part of the ongoing efforts for strengthening of the supervisory framework in the country, RBI has been issuing necessary instructions to banks from time to time on a variety of issues of prudential supervisory concerns. However, one of the emerging risks to the financial sector is the increasing trend in frauds in banks and financial institutions. During the last five financial years, frauds have increased substantially both in volume and value terms. During this period, while the volume of frauds has increased by 19.6 per cent from 4235 to 5064, the value (loss incurred) has increased by 72 per cent from Rs. 9,750 crore to Rs. 16,770 crore. At this juncture, it is pertinent that we have to do some deep reflection that can help to solve fundamental issues that are the root cause of such frauds and related irregularities in the banking sector. In this context, she highlighted the concern expressed by one of the District Collectors in respect of electronic banking frauds i.e. hacking, phishing, cloning of cards, etc. RBI has already issued guidelines for limiting the liability of customers who wittingly or unwittingly become victims of such frauds subject to prompt

reporting by customers within prescribed timelines. But what is felt is at the ground level, there is a need for educating customers, especially at the bank branch level for which a standard operating procedure needs to be clearly delineated and enough publicity should be given for the benefit of customers as to what they should do when fraud occurs, whom they should report to, contact number of officials/ help lines, etc, for wider dissemination of information. In this context, Kerala Police has been very proactive by setting up Cyberdome in Trivandrum and cyber cells in various districts of the state. RBI facilitated the meeting between Cyberdome and banks wherein bankers agreed to have nodal officers earmarked for reporting cyber frauds promptly to the Police and in turn the cyber cells on receipt of such reports, have taken immediate measures to freeze the accounts of the fraudsters. Of course, the usual procedures have to be followed till the aggrieved customer gets back his money but by frustrating the attempts of the fraudster in decamping with the cash, the Police is doing a great service which is truly unprecedented.

Regarding the Sixth Bi-monthly Monetary Policy Statement, 2017-18, the Monetary Policy Committee (MPC) decided to keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 6.0 per cent. Consequently, the reverse repo rate under the LAF remains at 5.75 per cent, and the marginal standing facility (MSF) rate and the Bank Rate at 6.25 per cent.

RBI had recently convened the meeting of Heads of controllers of banks to reiterate and drive home the significance of Lead Bank Scheme and the relevance of various meetings under the scheme. The need to ensure convergence of efforts of various stakeholders right from the Block Level to the State Level, as we see here today, was stressed upon. The need to address the issues of Financial Literacy Counsellors who are committed at creating awareness and disseminating financial literacy amongst masses and the problems faced by BCs were deliberated upon, in order to resolve them to their satisfaction. She stressed upon the need for the representatives of banks and officials from various government departments to synergise and co-ordinate their efforts to ensure the holistic development of our State, as is envisaged under the Lead Bank Scheme.

After undertaking a review of the priority sector lending profile of the foreign banks and in order to create a level-playing field within banks, it has been decided that the sub-target of 8 percent of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure (CEOBE), whichever is higher, shall become applicable for the foreign banks with 20 branches and above, for lending to the small and marginal farmers from FY 2018-19. Further, the sub-target of 7.50 percent of ANBC or CEOBE, whichever is higher, for bank lending to the Micro Enterprises shall also become applicable for the foreign banks with 20 branches and above from FY 2018-19.

Additionally, in the light of feedback received from various stakeholders and in line with the increasing importance of services sector in our economy, it has been decided to remove the currently applicable loan limits of Rs 5 crore and Rs 10 crore per borrower to Micro/ Small and Medium Enterprises (Services) respectively, for classification under priority sector. Accordingly, all bank loans to MSMEs, engaged in providing or rendering of services as defined in terms of

investment in equipment under MSMED Act, 2006, shall qualify under priority sector without any credit cap.

IBA, in consultation with RBI, has been working on developing the Business Correspondent (BC) Registry Portal as an initiative to further strengthen the BC infrastructure. The BC Registry seeks to provide a Centralized Repository of relevant information on BCs and also a robust MIS, thus, facilitating monitoring and oversight of the BC network. IBA has developed the BC Registry Portal ([www.bcregistry.in](http://www.bcregistry.in)) which has since gone "live" wherein banks shall upload data pertaining to the BCs deployed by them. The Registry database will cover all BCs, both existing as well as new and will capture basic details including location of BCs, nature of operations, etc. The BC Registry Portal seeks to enable members of public to find the necessary details of the BCs in their vicinity to avail financial services by using the BC Tracker facility.

MSME sector provides the second largest employment after agriculture. The teething troubles in the initial phase of GST had severely impacted the cash flows of these smaller entities during the transition phase with consequent difficulties in meeting their repayment obligations to banks. As a measure of support to these entities in their transition to a formalised business environment, it has been decided that the exposure of banks to a borrower classified as MSME under the MSMED Act, 2006, shall continue to be classified as a standard asset in the books of banks subject to certain conditions. The relief measures seeks to facilitate MSMEs to repay their dues not later than 180 days from their original due date, without a downgrade in asset classification.

Reserve Bank continues to receive complaints about non-acceptance of coins by bank branches. Such denial of service has reportedly, in turn, led to refusal on the part of shopkeepers and small traders, etc., to accept coins as payment for goods sold and services rendered causing inconvenience to the public at large. Banks were, therefore, advised to immediately direct all their branches to accept coins of all denominations tendered at their counters either for exchange or for deposit in accounts.

She highlighted that the practice of holding a steering committee meeting before SLBC to sort out various issues and only escalate higher level issues of importance to SLBC has been appreciated by RBI's top management. She said that one area where she would like to see a marked improvement is the SLBC website and hoped that once the Kerala SLBC website gets revamped and updated, it is going to be one of the best websites and worthy of emulation by all others in the country and wished SLBC all success in all its future endeavours.

**Sri. R Sundar, Chief General Manager, NABARD in his address** mentioned that the target of doubling the farmers income by 2022 is going to be a big task. Recently, NABARD has announced the potential credit flow to various sectors through the process of Potential Linked Credit Plan (PLP). In this regard NABARD has constituted various sub committees and steering committees for the prompt implementation of the scheme.

A study conducted by the Indira Gandhi Institute of Development Research, found that a marginal farmer gets only around 45 percent of income from cultivation, remaining 32 percent is from other wages and employment, 7.3 percent from livestock rearing, 6.3 percent from non agricultural enterprises. So if we look at farmers income plus the alternative incomes, then the challenge of doubling the farmers income by 2022 becomes a little more realistic because income from cultivation is not expected to grow that fast.

He said that the Director General of IFPRI [International Food Policy Research Institute] , has stated a concept of 'Move out and Move up'. Typically the NABARD's policy aims at stopping migration of farmers from rural areas to urban areas. But according to him, if the farmers distress needs to be addressed, then the farmers should be allowed to move out to better economically salubrious circumstances. Rural and urban policies need not be distinct, where farmers don't find good employment in rural areas, they can move to urban areas since substantial portion of income is coming from wage employment. So 'move out' vacates space for increasing production and productivity, if farming has to improve, production and productivity has to be increased. In Kerala, the average landholding size is 0.22 hectares only, hence the farming household cannot depend only on that.

Coming to the agricultural term investments, "what does one invest where an average land holding size is only 0.22 hectares?". So the focus should on creating space where people could grow more and more produce. Also it enables "agripreneurs" probably from urban areas who are technology backed to move into agricultural sector and produce more effectively.

Bankers should note that achieving sectoral target is not the issue, the purpose of lending is to ensure the outcome and if in the final analysis, if the intended outcome isnot there, it indicates that we are not progressing, hence it cannot be called as development.

What the farmer produces has to be remunerated better, if the farmer doesn't get sufficient remuneration for what he produces, he has to move up the value chain i.e he has to process what he produces. The farmer has to be the owner of the entity which adds value to what he produces which is ultimately reaching to customer table.

Coming to the Farmer producing organizations of Kerala, there are around 105 of them which are funded by NABARD using GOI's PRODUCE (Producers Organisation Development and Upliftment Corpus) funds. Out of 105 organizations, 55 of them are determined to be in the category of A and B based on their performance. Surprisingly these organizations are only two to three years old. They are sought to be the low hanging fruits for the banks to finance. So this will help the farmers own the fate of what they produce to realize better value and to get the middlemen out. He requested the SLBC to include this as an agenda item for the next SLBC subcommittee where it can be dealt in detail.

Per drop more crop scheme is the call given, but due to the lack of rains last year, the farmers had felt the summer heat and realized the importance to water. Lot of campaigns and other activities where conducted to create awareness among the farmers for adopting better irrigational facilities. In

terms of continuing efforts, the state government and the banking community will have to work together on micro irrigation and other possible alternatives.

These are some of the measures which need to be adopted for increasing the productivity. Banks have to widen their engagement with each farmer. Besides giving a crop loan or dairy loan, banks need to have a menu of things to be done. These are the challenges before the banking community.

He thanked SLBC for giving him an opportunity to speak in the forum as he concluded.

The forum then proceeded with the agenda.

## **1. ADOPTION OF MINUTES**

The House adopted the minutes of the 123<sup>rd</sup> meeting of the SLBC, Kerala held on 21<sup>st</sup> December, 2017 at Hotel Residency Tower, Trivandrum, circulated to the members vide Convener's letter Ref: SLBC 35 50 2018 SK dated 07<sup>th</sup> March, 2018.

The House may adopt the said minutes.

## **2. PENDING ISSUES**

### **2.1. PRIMARY SECTOR**

**Nil**

### **2.2. SECONDARY SECTOR**

#### **2.2.1. Issues involved in the implementation of PMEGP Scheme**

*(Pending since March 2014)*

*The forum decided to pursue the agenda item as a bill related this is being discussed in the ongoing Assembly Session.*

**(Action: Industries & Commerce Dept Govt of Kerala)**

#### **2.2.2. Performance under PMEGP 2017-18** (Suggested by SLBC Cell)

*The forum noted that the target set for the state has not been achieved.*

*Sri. Paul Antony IAS, Chief Secretary, GoK, requested the agencies and banks to concentrate on the scheme as one more week is still left.*

*The forum requested all banks to kindly ensure that whenever a PMEGP loan is sanctioned, it is being uploaded in the portal also, then only it can be considered as sanctioned and claim can be taken up.*

**(Action: Banks)**

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

*Representative from Coir Board informed the forum that CUY is going to be merged with PMEGP.*

*Sri. Paul Antony IAS, Chief Secretary, GoK, requested the government departments and agencies to help the banks for the reconciliation of the accounts.*

*The forum requested the member banks to furnish the list of individual beneficiary details to SLBC cell and SLBC shall forward it to coir board for claiming the subsidy.*

**(Action: Banks, SLBC , Coir Board)**

## **2.3. TERTIARY SECTOR**

### **2.3.1. Land Allotment for construction of RSETI Buildings (Pending since July 2012)**

*Representative from Union Bank informed the forum that village panchayat has already allocated 50 cents of land for setting up of RSETI in Nedungandam and the village panchayat has also written to the LSGD department for the land allotment letter and is awaited.*

*Representative from RSETI Trivandrum informed the forum that if the construction work of RSETs is not commenced before 30<sup>th</sup> June 2018, the entire amount given by the central government i.e around one crore rupees per RSETI will be lost.*

*The forum requested the SLBC cell to collect the base papers of all the pending RSETIs and to write to the Chief Secretary with the list of RSETIs pending in the respective government departments.*

**(Action: SLBC, LSGD, RD Commissionerate )**

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

*The forum decided to pursue the agenda.*

**(Action: Revenue Department)**

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

*The forum noted that as far as registered mortgage is concerned, the transfer of property act will come into force, it has a lot of other implications with respect to its legal side. But noting*

*of lien in the Revenue Records is done in almost all the states now. Now it is becoming another source of revenue for those state governments*

*The forum decided to pursue the agenda.*

**(Action: Revenue Department)**

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

*The forum requested the SC/ST department to share the list of 12000 borrowers in electronic format to the SLBC so that it may segregate the list bank wise and distribute to the concerned banks.*

**(Action: SC/ST Department, SLBC, Banks)**

#### **2.3.5. Converting eligible Housing loans granted after launch of PMAY to CLSS**

*The forum requested the member banks to identify the eligible accounts under Housing Loan and convert them to PMAY CLSS loans and to claim the subsidy and pass it on to the customer.*

**(Action: Banks)**

#### **2.3.6. Education Loan Repayment Support Scheme**

*SLBC Convener informed the forum that 33.48 crores of claims have been forwarded by the nodal officer pertaining to all the banks, out of which 24.09 crore worth of claims have been forwarded by the SLBC. The finance department after scrutinizing the claim application, on test basis has approved Rs. 31 lakhs and it is expected to be passed on to SLBC/ banks shortly.*

*The latest update is that SLBC has forwarded to the government, claims for more than 20 crores. Due to portal related issues, there was delay in enabling online applications and processing of the same. Now the process is going ahead smoothly and requested the government to start the settlement process without delay. In this regard, we cannot ignore a fall out in the field. At the time of announcement of the scheme, NPA level under Education Loan was 10 %. It has now shot up to 17 %. The message is loud and clear.*

*In the current financial year itself there is a 35 % growth in Education Loan NPA*

*The forum also raised concern on the sharp rise of NPAs in Educational Loans after the ELRS scheme was notified in the state.*

**(Action: banks, SLBC, Finance Department)**

### **2.3.7. Rural Self Employment Training Institutes (RSETIs) – Reimbursement of Training Expenses of BPL Candidates to “AA” Rated RSETIs**

*Sri. J.K. Thakar GM, SBI informed the forum that when SBI took the matter to the Ministry of Rural Development, they replied that the fund has been already been released to Kudumbasree. But when enquired about this issue with Kudumbasree, they are not aware of it.*

*The forum decided to write to Kudumbasree that if they have not received the reimbursement from MoRD, then they may inform the same in writing.*

**(Action: SLBC, Kudumbasree)**

### **2.3.8 MNREGA 100 % Aadhaar payment**

*Representative from MNREGA informed the forum that they are planning to conduct the camps once again from April onwards, hence requested the banks to ensure 100 percent aadhaar seeding by April. Another issue is that of inactive aadhaar transactions. Here payment is received from MoRD, the amount is not credited to the beneficiary's account, thus the amount is reverted to MoRD.*

*Sri. J.K. Thakar GM, SBI informed the forum that even if aadhaar is linked with NPCI, the transaction could get rejected due to other reasons also. The IT department of each bank are in a better position to deal with it.*

*The forum requested the MNREGA to give specific list of issues faced by them by April 15 to the SLBC.*

**(Action: MNREGA)**

### **2.3.9. Aadhaar Seeding and Verification of bank accounts**

*Chairman of SLBC Sri. M.V Rao informed the forum that there is no ambiguity in Supreme court order. Wherever the state benefits are being passed on to the account, aadhaar seeding is mandatory. For the other services provided by the banks, aadhaar seeding is not made mandatory, but for opening new accounts also aadhaar seeding is made mandatory.*

*The forum observed that Aadhaar Seva Kendras have to be opened for new Aadhaar enrolment and to provide updation facilities.*

**(Action : Banks)**

### **2.3.10. System to Leverage the Camera Surveillance from all roads in Kerala** (Suggested by Reserve Bank of India)

*Sri. Anil Kumar, General Manger Canara Bank Head Office informed the forum that after inspection, it is found that most of the ATMs have a surveillance camera fitted outside. It is*

*common with all banks. But if linking is involving additional cost, then it could be difficult proposal to accept.*

*Smt. Uma Sankar Chief General Manger, RBI informed the forum that if there is any concern from banks side regarding cost consideration, kindly share their view with RBI.*

*The forum noted that if the banks are in a position to facilitate for the linking of the police surveillance camera network, they may explore the possibility of offering one extra port in their CCTV network for the camera surveillance.*

**(Action: Banks)**

**2.3.11. Discrepancies in Quarterly FLC reporting by SLBC on number of Rural branches-District wise** (Suggested by RBI)

*Smt. Uma Sankar Chief General Manger, RBI requested the banks which are showing discrepancies, to get in touch with SLBC and with RBI's statistical cell Trivandrum, to reconcile the differences.*

*The forum decided to take Database on Indian Economy as authentic.*

**(Action: Banks)**

**2.3.12. Progress made in Digitization of Land Records**

*The forum decided to pursue the agenda.*

**(Action: Revenue Department)**

**2.3.13. Delay in Appointment of Financial Literacy Counsellors**

*Smt. Uma Sankar Chief General Manger, RBI informed the forum that most of the banks have given us the assurance that by March 31<sup>st</sup> 2018, the issue will be sorted out.*

**(Action: Banks)**

**2.3.14. Formation of Standing Sub Committees of SLBC** (Suggested by Reserve Bank of India)

*SLBC standing sub committees on Primary, Secondary and Tertiary Sector met on 2018 March 19<sup>th</sup> and has taken the following decisions.*

*Primary Sector*

- *Doubling of Farmers' income by year 2022 would be the focus agenda*
- *State Department of Agriculture would provide the available basic statistics to NABARD to enable them to arrive at the current level of farmers income in Kerala*

- *Based on the above statistics , NABARD would estimate the current income of the farmers and also suggest strategies to achieve the doubling of income*
- *Strategies would also include other avenues like, Farm tourism, nano house hold enterprises, fallow land lease cultivation, GI tagging (Geographical Indicator), forward linkages through dairy co operatives and FPOs etc.*
- *Crop insurance need to be ensured for all the loanee farmers availing loans for notified crops.*
- *SLBC would collect the details of the crop insurance scheme(other than PMFBY ) available with Agriculture Insurance Company (AIC)*
- *Since the State Government has a state crop insurance scheme , where premium rates were lower than PMFBY , credit linking of this scheme could be examined*
- *The committee would meet in the third week of April 2018 to discuss further*

#### Secondary sector

- *It was observed that the Kerala Investment Promotion & Facilitation Ordinance 2017 is a progressive first step in the ease of running enterprises in the State*
- *There is a shortage of professional hand holding agencies in the state, to hand hold startup ventures.*
- *When the online single window system of the State Govt comes into operation it should have comprehensive check lists in its portals, so that a start up entrepreneur will know in advance the requirements to be met*
- *Committee suggested that banks may adopt hub based processing of MSME applications above certain thresh hold limits, so that loan proposals are handled professionally*
- *Strategies for containing the rising NPAs would be discussed in the next meeting of the committee*

#### Tertiary Sector

- *Instilling credit discipline in SHGs and JLGs need to be looked into*
- *NPAs in SHGs and JLGs are gradually increasing*
- *The NABARD initiative of E – Shakthi would help in preventing multiple financing*
- *In the next meeting of the committee , NABARD would provide an overview on the National experience in SHG/JLG lending*
- *NABARD also would give a presentation on the working of E-Shakthi*
- *The Committee requested the Planning Department to find out whether the Fee Regulatory Commission of Kerala had finalized the fee structure for all medical colleges. The Bank guarantees issued to students for securing admission in Private Medical Colleges are due to expire in April 2018*
- *The next meeting would also discuss the PMAY in detail*

*The forum reviewed the decisions taken in the first meetings of the sub committees. The forum decided that the Department of Agriculture shall be a permanent member (now a special invitee) in the subcommittee on primary sector. The State Planning Board also shall be made a member to the Primary Committee*

*Smt. Uma Sankar Chief General Manger, RBI informed the forum that in the recent study conducted by RBI in KCC, in many areas the mandatory crop insurance scheme is not taken by the banks because most of the crops are rubber and rubber crop is not covered under PMFBY. Therefore this issue has been flagged to RBI central Office for examination. There are local state government schemes available, so the banks can take advantage of that and ensure that crop insurance is mandatorily covered under the KCC circular.*

*Sri. R Sundar, Chief General Manager, NABARD informed the forum that under PMFBY, each state government will notify the list of crops which will be covered during Kharif and Rabi seasons. Typically field crops are listed and where the state government is willing to undertake crop cutting experiment, the loss cannot be accessed. So only a few crops are identified for Kharif and Rabi seasons. Therefore it may not include commercial and plantation crops for which insurance will be certainly be available but not under covered under PMFBY. So individual planters will have to pay for insurance and insurance premium will be high.*

*Representative from Agriculture Department informed the forum that the crops which are not covered under the PMFBY can be covered under the state crop insurance scheme. The agricultural department is having a state crop insurance scheme which covers around 23 major crops of Kerala including rubber. But they are not credit linked.*

*Coming to the tertiary Sector, Sri. R Sundar, Chief General Manager, NABARD informed the forum that the e-sakthi scheme has been extended to 4 more districts. This scheme aims at for digitization of all Self Help Group (SHG) in the country.*

**(Action: SLBC)**

**2.3.15. Second phase Roadmap for opening CBS Enabled banking outlets in villages with population more than 5000 without a bank branch of scheduled commercial bank**  
(Suggested by SLBC Convener)

*The forum noted that LDMs of Trivandrum, Kollam, Pathanamthitta are yet give the report. Smt. Uma Sankar Chief General Manger, RBI noted that ESAF Bank, a small finance bank, primarily focuses on expanding the banking horizon to unbanked areas, should be given an opportunity if they are willing to open branches under the CBS model as per RBI guidelines in any unbanked villages. Under banking outlet definition, cooperative banks are covered. Also while resurveying kindly ensure that they are licensed cooperative banks. Only DCBs and state cooperative banks are licensed.*

*The forum decided to relook into these 42 unbanked villages as per the RBI guidelines.*

**(Action: LDMs, SLBC)**

### **3. FRESH ISSUES**

#### **3.1. PRIMARY SECTOR**

##### **3.1.1. 'Doubling Farmers' Income by year 2022 (suggested by Reserve Bank of India)**

*Representative from Agriculture Department informed the forum that as per the orders of GOI, a State Level Coordination Committee has been formed in all states and the committee has submitted report to the GOI suggesting the strategic measures to be adopted. In Kerala, the average household income is Rs 7888 and the income from agriculture and allied activities is Rs 4106.*

*Smt. G.K Maya, SLBC Convener & General Manager, Canara Bank informed the forum that the Banks may use benchmarks provided by NABARD and map the overall strategy mentioned in the circular to Agriculture agro auxiliary lending plan of their bank. So the sub-committee has also taken it as a focus agenda.*

**(Action: SLBC)**

#### **3.2. SECONDARY SECTOR**

##### **3.2.1. Cluster Development Programme of Ministry of MSME**

**(Information note by Industries and Commerce Department, Govt of Kerala)**

*Representative from MSME department informed the forum that under the MSME cluster development scheme of GOI, some clusters after the completion of the first phase wants to move to the second phase for technology upgradation. He enquired whether banks can formulate a scheme for these clusters in the second phase based on the performance of the first phase as GOI has no provision for extending the scheme to the second phase.*

*The forum noted the information decided to examine the suggestion given by the MSME department if a specific request is made to SLBC.*

**(Action: Dept of Industries and Commerce )**

##### **3.2.2. Setting up of a Commerce Mission**

**(Information note by Department Industries and Commerce, Govt of Kerala)**

*The forum noted the information*

##### **3.2.3. Certified Credit Counsellors for MSMEs**

**(Information note by SIDBI)**

*Forum noted the information*

**3.2.4. Information Note on SLBC Sub Committee decisions on cashew Industry issues**  
(Information note by SLBC Convenor)

*Representative from UCO Bank informed the forum that some accounts of their accounts have going to be NPAs. Out of the Rs 1600 crore loans extended to the cashew sector, around 25 crores are going to become NPAs. So the borrowers requested the bank to include them in the cashew sector revival package. Therefore he requested the forum to include UCO bank also in that banking consortium.*

*The forum informed the UCO bank representative that the decision to extend the scheme to the beneficiaries of UCO bank can be taken by the bank itself.*

**3.2.5. Review of flow of Institutional Credit to MSME sector**

(Agenda by Reserve Bank of India)

*Smt. Uma Sankar Chief General Manger, RBI informed that the RBI central office wants to reiterate awareness among the bankers about the flow of Institutional Credit to MSME sector. RBI already has the required guidelines for the revival and rehabilitation for MSMEs wherein the banks are not expected to wait until the MSME loan becomes an NPA. Banks have to see the signs of stress in MSME advances and should take due note of that and see if they can render any possible help to them in terms of RBI guidelines.*

(Action : Banks)

**3.3. TERTIARY SECTOR**

**3.3.1. Standard Operating Procedures (SOPs) for preventing Cybercrime**

(Agenda suggested by Reserve Bank of India)

*Smt. Uma Sankar Chief General Manger, RBI suggested that a SOP in local language i.e Malayalam should be dissiminated at the branch level so that the customer who is a victim of such fraud will able to take necessary steps.*

*Sri. M.V Rao Chairman of SLBC, suggested that while revamping the SLBC website, the SOPs for mitigating cybercrimes should be included. Besides these SOPs, bankwise Nodal Officers and their customer care contact details should also be included.*

(Action : SLBC)

**3.3.2. Infrastructure facilities to the Financial Literacy Counsellors**

(Agenda suggested by Reserve Bank of India)

*The forum noted that there are some FLCs not been provided with the required infrastructure. The forum requested the concerned banks to take a note of this and do the needful.*

(Action : Banks)

**3.3.3. Underachievement of FLCs and rural branches in conducting Camps**

(Agenda suggested by Reserve Bank of India)

*Smt. Uma Sankar Chief General Manger, RBI suggested to have a FLC monitoring authority at the district level as there about 134 operational FLCs in the state. The controlling offices of the respective banks may not be sufficient to do this task.*

*The forum decided to entrust the Lead District Managers the task of monitoring the FLCs at the district level. The forum also decided to write to the government departments with the district wise list of FLCs appointed with their respective functions and target groups so that they can also utilize the FLCs.*

**(Action : Banks, LDMs , SLBC)**

### **3.3.4. SLBC Website – Standardization of Information/ Data**

*(Agenda suggested by Reserve Bank of India)*

*Sri. Anil Kumar.P, General Manager, Canara Bank informed the forum that by May 2018 the revamped website will be operational.*

*Smt. Uma Sankar Chief General Manger, RBI suggested that while revamping the website district wise list of FLCs and their contact details should be included.*

**(Action : SLBC)**

### **3.3.5. Conduct of SLBC meetings** (Agenda suggested by Reserve Bank of India)

*The forum noted that the delay in data submission is the prime reason for the delay in the conduction of SLBC and DCC meetings.*

*The forum requested the member banks to provide the data in time so that the meetings could be conducted in time.*

**(Action : Banks, LDMs, SLBC)**

### **3.3.6. Setting up of Sub-committee on SHG- Bank linkage programme**

*(Agenda suggested by NABARD)*

*Sri. R Sundar, Chief General Manager, NABARD informed the forum that in Kerala, nearly 80 percent of SHGs come under th ambit of Kudumbasree and only around 18 to 20 percent comes under NGOs. So credit flow to SHGs is not an issue.*

*The forums decided that a separate subcommittee is not needed. SHG- Bank linkage programme can be included as a separate agenda item of the SLBC sub-committee on tertiary sector.*

**(Action : SLBC)**

### **3.3.7. Expansion of E- Shakti- Cooperation from banks**(Agenda suggested by NABARD)

*Sri. R Sundar, Chief General Manager, NABARD informed the forum that in 5 districts namely Kasargod, Kannur, Malppuram, Idukki and Kottayam there is an apprehension among the people as why so much of data is being collected and when the NGOs approach the bank branches they are not provided with the required information. So he requested the bankers in these districts to kindly cooperate with them. NABARD is sanctioning around one crore rupees grant for each district in the state for digitization process.*

*The forum requested the bank branches to provide the necessary inputs so that digitization can happen. Once the process is completed, meetings will be conducted for banks in the respective districts for familiarization.*

**(Action : Banks)**

### **3.3.8. Delay in Processing of Education Loans**

*(Agenda Suggested by Planning & Economic Affairs Department, Govt of Kerala)*

*Representative from Planning Department requested the respective banks to inform the students the reason, if they are rejecting their educational loan applications.*

*Sri. Anil Kumar P, General Manger, Canara Bank informed the forum that the Human Resource Ministry has made it mandatory that the educational loan applications are to be routed through the Vidya Lakshmi Portal and no manual application need to be submitted. In case manual applications are received, it should be punched in the portal. Also the Vidyalakshmi portal has to be linked with the bank's Core Banking System. This will provide a real time flow of the position of applications pending with banks to the customers.*

**(Action : Banks)**

### **3.3.9. Information Note on Life Mission Housing projects**

*(Information note placed by SLBC Convenor)*

*Forum noted the information*

### **3.3.10. Debt servicing while changing salary/pension disbursing bank**

*(Agenda by Reserve Bank of India)*

*Smt. Uma Sankar Chief General Manger, RBI stated that RBI doesn't want to prescribe any rules regarding this. Instead it wants the banks to be alert and safeguard the bank's interest and loans so that they don't become NPAs. It is the primary concern of the individual banks.*

*The form decided that the individual banks may take safe guards in their loan schemes against salary disbursement*

**(Action : Banks)**

**123<sup>rd</sup> SLBC List of Participants**

<b><u>CO CHAIRMEN OF THE MEETING</u></b>			
<b>SL NO</b>	<b>INSTITUTION</b>	<b>NAME</b>	<b>DESIGNATION</b>
1.	Canara Bank	Sri. M.V Rao	Executive Director
2.	Government of Kerala	Sri. Paul Antony IAS	Chief Secretary

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

<b>SL NO</b>	<b>INSTITUTION</b>	<b>NAME</b>	<b>DESIGNATION</b>
1.	Finance Department	Sri. Minaj Alam IAS	Secretary
2.	Agricultural Department	Sri Teeka Ram Meena IAS	Secretary
3.	Industries Dept & NORKA	Dr. Ellangovan IAS	Secretary
4.	Agricultural Department	Sri Sunil Kumar	Director
5.	Department of Telcom, GOI	Smt Satya Priyadarshini	Deputy Director General
6.	ST Development Department	Smt. Beenakumari S	Joint Secretary
7.	Agriculture Department	Sri. Sajitha C K	Additional Director
8.	Industries Department	Sri. K S Pradeepkumar	Additional Director
9.	Rural Development Department	Sri. P K Mohanan	Joint Development Commissioner
10.	MSME Department, Thrichur	Sri. Palanivel	Deputy Director
11.	Dairy Development Department	Sri. Thampy Mathew	Deputy Director
12.	Fisheries department	Dr Laila M	Joint Director
13.	ST Development Department	Sri. Saju S	Assistant Director
14.	State Horticulture Mission	Sri. George Philip	Assistant Director
15.	Dept of Agriculture & farmers Welfare	Sri. Pramod Kumar M.S	Assistant Director
16.	Animal Husbandry	Dr R Venugopal	Assistant Director
17.	Khadi and Village Industries Commission	Sri. Pradeep R	Assistant Director
18.	Planning & Economic Affairs	Smt. Sheela. G	Under Secretary
19.	Coir Department	Sri. O M Ajeya Mohan	Additional Registrar
20.	National Horticulture Board	Sri. Ramesh S K	Sr. Horticulture Officer
21.	RSETI, Trivandrum	Sri. Premjeevan P G	Director
22.	Coir Board	Sri. V Sudheer	
23.	UIDAI	Sri. Noushad P	State Resource Person
24.	MNNREGA State Mission	Sri. Vivek Krishnan P.k	Consultant
25.	LIC of India	Sri. B Ajish	Senior Manager

**RESERVE BANK OF INDIA**

<b>SL NO</b>	<b>NAME</b>	<b>DESIGNATION</b>
1.	Smt. Uma Sankar	Chief General Manager
2.	Sri. Sooraj S	Assistant General Manager
3.	Smt. Chaithanya Devi I	Manager
4.	Smt. Shobana Priyadarshini T	Assistant Manager

**NABARD / SIDBI / NATIONAL HOUSING BANK**

<b>SL NO</b>	<b>INSTITUTION</b>	<b>NAME</b>	<b>DESIGNATION</b>
1.	NABARD	Sri.R.Sundar	Chief General Manager
2.	National Housing Bank	Sri. Hemkumar G	Regional Manager

**PUBLIC SECTOR BANKS**

<b>SL NO</b>	<b>INSTITUTION</b>	<b>NAME</b>	<b>DESIGNATION</b>
1.	State Bank of India	Sri. J.K.Thakar	General Manager
2.	State Bank of India	Sri. Vinayak Kaisare	Deputy General Manager

3.	State Bank of India	Sri. Guruswamy K	Assistant General Manager
4.	Union Bank of India	Sri. A Krishnaswamy	Deputy General Manager
5.	Syndicate bank	Sri. P Damodara Rao	Assistant General Manager
6.	Central bank of India	Sri. Niranjan Biswal	Assistant General Manager
7.	IDBI	Sri. Ajay C Peter	Assistant General Manager
8.	Indian Overseas Bank	Sri. R Subba Rao	Assistant General Manager
9.	Vijaya Bank	Sri. Haleelulla S	Assistant General Manager
10.	Corporation Bank	Sri. Laxman Kuduva	Assistant General Manager
11.	Central Bank of india	Sri. D. N Rajendra Kumar	Senior Regional Manager
12.	Indian Bank	Sri. S Suresh	Zonal Manger
	Bank of India	Sri. Anil Kumar Jha	Deputy Zonal Manager
13.	Bank of Boroda	Sri. Suresh Prabhu. S	Chief Manager
14.	UCO Bank	Sri. Krishnakumar P.G	Chief Manager
15.	Andhra Bank	Sri. A.P Ratnagiri	Chief Manager
16.	Oriental Bank of Commerce	Sri. K Ramesh	Chief Manager
17.	Dena Bank	Sr. Prasanth K	Chief Manager
18.	Punjab National Bank	Sri. Anand K	Chief Manager
19.	United Bank of India	Sri. Adarsh Mohan	Manager
20.	Bank of Maharastra	Smt. Kavitha V S	Branch Manager
21.	Bank of Maharastra	Smt. Renjini Das M	SWO

**CONVENOR BANK (CANARA BANK)**

SL NO	NAME	DESIGNATION
1.	Smt. G.K Maya	SLBC Convener & General Manager
2.	Sri. Anil Kumar P	General Manager
3.	Sri. N.K. Krishnankutty	Deputy General Manager
4.	Sri. Babu Kurian	Deputy General Manager
5.	Sri. Santhosh.V.S	Divisional Manager
6.	Sri. G.Nandakumar	Senior Manager
7.	Sri. K Sankar	Manager
8.	Smt. Nisha V L	Officer

**REGIONAL RURAL BANK**

SL NO	INSTITUTION	NAME	DESIGNATION
1.	Kerala Gramin Bank	Sri. S Pavithran	General Manager

**PRIVATE SECTOR BANKS**

SL NO	INSTITUTION	NAME	DESIGNATION
1.	Federal bank	Sri. Jose V Joseph	Executive Vice president
2.	ICICI Bank	Sri. Rajish K	Deputy General Manager
3.	HDFC Bank	Sri N Gowri Sankar	Senior Manager
4.	South Indian Bank	Sri. Paul Antony Maliakal	Deputy General Manager
5.	Catholic Syrian Bank	Sri. V Varghese	Zonal manager
6.	Dhanlakhshmi Bank	Sri Sreekumar M P	Assistant General Manager
7.	Yes bank	Sri. Bijesh Chandra	Assistant Vice President
8.	IndusInd bank	Sri. Prasanth Ramachandran	Chief manager
9.	Axis Bank Ltd	Sri Sanoop T S	Deputy manager
10.	Karur Vysya Bank Ltd	Sri. Rajasekharan	Manager
11.	Tamilnad Mercantile Bank	Sri. T Bharath	Assistant manager
12.	City Union Bank	Sri. Ramprasad	Manager
13.	Kotak Mahindra Bank	Sri. Gokul S Kumar	Deputy Manager

<b>CO-OPERATIVE BANKS</b>			
<b>SL NO</b>	<b>INSTITUTION</b>	<b>NAME</b>	<b>DESIGNATION</b>
1.	Kerala State Cooperative Bank	Sri. G Gopakumar	Deputy General Manager
2.	Kerala State Cooperative Bank	Sri. V Muraleedharan	General Manager
3.	KSCARD Bank	Sri. S M Sharabudeen	ADM
<b>LEAD BANK OFFICES</b>			
<b>SL NO</b>	<b>INSTITUTION</b>	<b>NAME</b>	<b>DESIGNATION</b>
1.	Indian Overseas Bank	Sri. Samna.M	Lead Bank Officer, Trivandrum
2.	Indian Bank	Sri. A.Padmakumar	Lead District Manager, Kollam
3.	State Bank of India	Sri. Vijayakumaran.V	Lead District Manager, Pathanamthitta
4.	State Bank of India	Sri. Simon P.J	Divisional Manager, Alappuzha
5.	State Bank of India	Sri. Chandrasekharan C.V	Lead District Manager, Kottayam
6.	Union Bank of India	Sri. Rajesh Pillai	Lead District Manager,Idukki
7.	Union Bank of India	Sri. C.Satish	Lead District Manager, Ernakulam
8.	Canara Bank	Sri. R.R.Kanakambaran	Lead District Manager, Thrissur
9.	Canara Bank	Sri. P.Joseph Sam	Lead District Manager, Palakkad
10.	Canara Bank	Sri. Kunhiraman.T.P	Lead District Manager, Malappuram
11.	Canara Bank	Smt. M.D.Syamala	Lead District Manager, Wayanad
12.	Canara Bank	Sri. Sunil P L	Lead District Manager, Calicut
13.	Syndicate Bank	Smt K C Haneefa	Lead District Officer, Kannur
14.	Syndicate Bank	Sri. Narayana P	Lead District Officer, Kasargod
<b>SMALL FINANCE BANK</b>			
<b>SL NO</b>	<b>INSTITUTION</b>	<b>NAME</b>	<b>DESIGNATION</b>
1.	ESAF Bank	Sri. Suresh K P	Branch Head