

**MINUTES OF THE 104<sup>th</sup> MEETING OF  
STATE LEVEL BANKERS' COMMITTEE, KERALA**

Held on 30.09.2011 (Friday)  
At Hotel Residency Tower,  
Govt. Press Road, Trivandrum

The meeting commenced at 10.30 a.m. with **Sri. S. Raman**, Chairman & Managing Director of Canara Bank in the chair. List of participants is annexed.

**Sri. T. Sreekanthan**, General Manager, Canara Bank & Convenor, SLBC welcomed the participants to the 104<sup>th</sup> meeting of SLBC Kerala. He stressed on the following points in his welcome address:

- The State Level Bankers' Committee, Kerala on behalf of all Banks in Kerala, would be declaring today that banks in the State have provided a Banking Channel in all the villages in the State thereby ensuring 100% Banking Coverage envisaged in its Financial Inclusion roadmap. It would be a proud moment to be cherished as Banks in Kerala under the able leadership of RBI could provide banking facility in all those villages which were previously unbanked. This effort has resulted in Kerala becoming the first State to complete the banking coverage process in all the identified villages.
- The SLBC forum has been undertaking its duties by effectively coordinating the functioning of the Banking Sector and fine-tuning it with the priorities of the State Government. The forum has been actively assisting the State Government in its endeavors to up lift the vulnerable sections of the society. It is gratifying to note that a cordial and mutually supporting relationship continue to exist between Banks and the State Government in Kerala, which is yielding rich dividends for the poor in the state.
- In the march towards overall development of the State, bank credit plays an important role by supplementing the capital formation efforts in both private and public sectors. Often off-take in bank credit is being considered as an indicator for resurgence in economic activities.
- The State has crossed many a milestone in the areas of good banking. The overall picture in the State is at a satisfactory level with both resource mobilization as well as credit deployment poised for enhanced growth and vigour during the current financial year too.
- The overall performance under Annual Credit Plan in the State during the first quarter though sluggish is still at a satisfactory level of 21.78 % of the projected target. Out of the Rs. 12475 crores disbursed, Rs. 6864 crores went to Agriculture sector alone, Rs.451 crores to Secondary sector and Rs. 5160 crores to Tertiary sector. It has to be noted that banks in the State have to increase their exposure to the secondary sector as the disbursement to the segment in the State is very low.

He then requested Sri. S. Raman, Chairman & Managing Director, Canara Bank and Chairman of the meeting to deliver the presidential address and to guide the day's proceedings.

In his presidential address, **Sri. S. Raman**, Chairman & Managing Director, Canara Bank expressed thanks to all the officials from Government Departments, Banks and Developmental agencies for their excellent support and co-operation rendered over the past years and hoped that the same level of co-operation, synergic action would continue in the future also. He briefly touched upon an overlook of the state of Global economy & Indian economy during the review period. In his address the following were highlighted:

- As compared to the turmoil faced by Nations in Europe, India has put up a decent show in economic growth front. India's economy grew 7.7% in the three months from April to June. The slowdown is expected to continue as India continues to grapple with the twin threats of inflation and rising interest rates.
- A sector wise analysis reveals that Farm output rose 3.9%, which was down from the previous quarter but above the level of 2.4% in the same period previous year.
- The decline in growth rate is due to a variety of factors, and RBI's strong monetary policy measures aimed in cutting down the inflationary pressures are expected to bring in the desired results soon.
- Services sector has completely replaced agriculture, which was traditionally the largest contributor to India's GDP. The agriculture sector needs to grow at least by 4 per cent for the economy to grow at 9 per cent. A major challenge in this regard is that nearly 80 per cent of the land holdings in India are below 2 hectares in size. Unless productivity is increased, small farm agriculture would become un-remunerative.
- He invited the attention of the forum to the directives of the Ministry of Finance to ensure sanctioning of an appropriate working capital limit to every farmer in the country. He observed that banks in Kerala have already initiated proactive steps to accomplish the Ministry directives.

Sri. S. Raman then presented the performance of the banking sector in the State for the June 2011 quarter.

- In India almost half the country is unbanked. Only 55 % of the population has deposit accounts & 9% have credit accounts with banks. There is only one bank per 14000 people. In Kerala State the situation is different as every nook and corner is now covered by a banking channel and Kerala has one bank for every 7300 population.
- Since the focus is on inclusive growth using the latest banking technology, bankers have to ensure that the common man gets full benefit of all the services in banking. The task of bankers does not end with mere providing of banking channel. Ministry of Finance had recently stipulated the popularization of the Green payment initiatives in the form of EBT. He was sure that appropriate steps might have already been initiated to meet the dead line of 01.10.2011 stipulated for implementing the same.
- The banking sector in the State has achieved good progress under all fronts during the first three months. During the first quarter of 2011-12, Commercial Banks opened 63 new branches in the State which took the total tally to 4636 branches. Of the new branches opened Public sector Banks have accounted for 41 branches where as private sector Banks increased their tally by 22 branches.
- The resources mobilized by banks in Kerala as at June 2011 were at Rs. 166706 crores with a net accretion of Rs. 19337 crores during the Period June 2010 to June 2011.

- The Non-Resident Deposits of the Commercial banks in Kerala recorded an addition of Rs.520 crores reaching a level of Rs. 38556 crores.
- The domestic deposit is showing a positive growth and is having a share of 76.87 % of total deposits as at June 2011.
- The Total bank credit of Commercial banks in Kerala grew by 25% during the period June 2010-June 2011 and reached a level of Rs. 124769 crores - an addition of Rs.24884 crores.
- Agriculture still remains in the central stage of the economy of the State. The share of Agriculture Credit is 21.82% of total credit and the figure as at June 2011 stood at Rs. 27230 crores.
- The Credit Deposit Ratio of banking sector which is considered as one of the strong indices of economic activity in any State stood at .74.84 % as at June 2011.
- The performance under Annual Credit Plan is reckoned as a direct measure of priority credit deployment. It is heartening to note that during the first quarter, the total amount of priority credit disbursed in the State was Rs. 12475 crores. This is 21.78% of annual target of Rs. 57270 crores. A matter of concern is that under Secondary Sector the disbursement was only 11.27% of the target.
- Weaker section advances constituted 16.43% of total advances which stood at Rs. 20499 crores. This is well above the National norms of 10%.
- The priority sector advances at Rs. 70071 crores in the State of Kerala takes a share of 56.16 % as at June 2011 which is well above the goal of 40 % fixed by RBI.
- The DRI advances as at June 2011 recorded a decrease of Rs 1.67 crores over June 2010. This is an area of constant concern and he observed that that a Sub-Committee of SLBC would be examining this aspect in more depth and suitable strategies and action plan would be drawn up to improve from the current level.
- Banks in Kerala have sanctioned Rs.3703 crores to SC/ST beneficiaries as at June 2011.
- The outstanding loan to women beneficiaries of the State as at June 2011 was Rs. 17,117 crores which form 13.71% of total advances and Rs. 41054 crores to Minority communities which forms 33.06 % of Priority Sector advances.
- Kerala State has a very good track record of performance under Swarnajayanthi Grama Swarozgar Yojana. As at June 2011, the banks in the State have sanctioned 1335 loans under the scheme involving an amount of Rs. 19.49 crores. In case of Swarna Jayanthi Shahari Rozgar Yojana, banks in the State have sanctioned Rs. 94.44 crores during the first Quarter. Under Prime Minister's Employment Generation Programme the State has done exceedingly well. Against the total Margin Money target of Rs. 18.18 crores for 2011-12 the achievement was Rs.11.59 crores (63.75% achievement.)
- Micro credit absorption in the State has been showing very good progress. As at June 2011, already 4.05 lakh SHGs have been linked to banks. Out of this over 40% of SHG linkages have been done directly through banks. The Joint Liability Group and Micro Credit Group concepts have also started picking up.

With these observations and remarks Sri. Raman greeted all the dignitaries and wished the deliberations of the meeting a resounding success.

Welcoming the Hon'ble Minister for Finance, Government of Kerala **Sri. K. M. Mani** to the 104<sup>th</sup> meeting of SLBC, Kerala. **Sri. S. Raman**, Chairman & Managing Director, Canara Bank highlighted the following points for the consideration of the Hon'ble Finance Minister:

The recovery climate in Kerala is a source of concern for banks. Bankers are willing to finance any activity across the board and at the same time recovery percentage has to be improved. Bankers are in the business of lending and in Kerala bankers are doing it particularly well. Since bank credit is the one single instrument which can change the face of the country, banks need the co-operation from the government as well as all the administrative machinery in Kerala. He added that the bank is like a machine, the money has to get circulated continuously. He then disclosed the recovery percentage - PMEGP (64%), ISHUP (30%), SJSRY (63%), SGSY (71%). He informed that as per the feedback received from the people at ground level, there were organized campaigns to spread a message that agriculture loans as well as Education Loans are not to be repaid. He reiterated that the duty of the bankers is to lend and if bank credit is utilised properly then the economy of the entire country would improve. He made an appeal that the Government machinery and all Government officials may have to come forward against these types of misinformation campaign.

**Sri. K. M. Mani**, Hon'ble Minister for Finance, Government of Kerala in his keynote address expressed happiness in participating in the 104<sup>th</sup> Meeting of SLBC and congratulated all banks for achieving good results. He appreciated the bankers for the great achievement made in providing banking facilities in all the villages in the State. He assured the forum that Government of Kerala is ready in extending co-operation in a big way to banks. He then touched upon some of the new programme initiatives of the Government of Kerala.

- ✓ Scholarship Scheme: In the Budget for 2011-12, Government had announced a scholarship scheme to be undertaken by Kerala State Financial Enterprises (KSFE). Accordingly loans would be distributed to the students from the weaker sections of society through KSFE. There is a huge demand for education loans, and that the nationalized banks and commercial banks have not been able to meet the requirement. Government proposes to devise a scheme and it would be launched soon. KSFE has a turnover of Rs. 12,000 crores and has about 500 branches in the State and hence Government had entrusted them to operate the scheme. Since the resources of the State Government would not be sufficient to meet this task, he enquired whether banks could refinance this lending partially or in full at competitive rates so as to ensure that the scheme is reaching more poor and needy students enabling them to complete their higher studies.
- ✓ Contract Farming: In the Budget for 2011-12, Government had announced an ambitious programme of Contract Farming involving Krishi Bhavans and the owners of the fallow land for vegetable cultivation. He informed that Krishi Bhavan would be entering in to a contract with the land owners to enable people to cultivate vegetables, flowers, medicinal plants etc. in their uncultivated lands. Since the agreement is with Government and Krishibhavan, the owners can lease out their land without fear. In Kerala there are tens of thousands of hectares of fallow lands predominated by small holdings due to several reasons. The figures on land use pattern in Kerala reveals that – Area under other than current fallow is 33,988 ha, current fallow is 77,853 ha and temporarily cultivable waste land is 59,257 ha. Explaining this he said that this type of farming model would not involve any corporate investments but involve only State Government sponsored NGOs such as Kudumbashree Mission. He informed that

during a recent meeting NABARD had expressed willingness to adopt one village in each district in the State for implementing this programme. Finance Minister then requested that banks should come forward in a big way to provide assistance for this programme of the State Government.

- ✓ Education Loans: There are wide spread complaints from student community that they are not getting loans in time. Different banks adopt different norms for fixing the limit for Education loans. He suggested that all banks have a uniform norm in this regard. Since the fee for professional courses in private colleges is much higher than that of Government colleges, Banks' need to enhance the loan ceiling for the students, who are studying in private colleges. As per the Government of India guidelines on Education Loans, Banks' have to extend loans up to Rs. 4 lakhs without any security. He also asked banks to look at ways of enhancing the loan amount under Education loans by taking up the issue with the Reserve Bank of India and the Union Finance Ministry. He stated that State Government also would be using its good office in this regard.
- ✓ Under a new scheme sponsored by KFC, Government would provide entrepreneurial training to 50,000 educated unemployed youth in soft skills and this would be launched soon. After imparting the training programme, 5-10 persons would form a society/group and Government plans to set up around 10,000 small industries under this programme. State Government would extend interest free loans of upto Rs. 20 lakh for each unit. In case if a technocrat or individual is promoting such a venture on his own, the assistance would be to the order of Rs. 10 lakh and this is also interest free. He requested banks to come forward in a big way and collaborate with the scheme in cases where the project outlay is higher so as to bring out a good result.

In conclusion, **Sri. K. M. Mani** informed that the detailed projects of the above schemes would be provided to banks.

Responding to the proposals, **Sri. S. Raman**, Chairman & Managing Director, Canara Bank assured the State Government that banks would be willing to provide finance to result oriented schemes proposed by the Hon'ble Finance Minister. Regarding Education Loans, he informed that the previous SLBC meeting had cleared some of the major procedural problems ie. Service Area concept was adopted and implemented for Education Loans which has created awareness among students as to which bank branch is to be approached for loans. The clarity on the matter has helped to reduce the complaints on Education loans. He clarified that if we look at the entire Education Loan portfolio, Kerala occupies the top position in the country. Banks in the State would continue to maintain this trend. He informed that banks have suggested Government of India to implement a guarantee scheme for Education Loans as well, as it would help everybody. Everyone have to note that since bankers are lenders bankers have to get back the money at the end of the period. Therefore, while considering a proposal, banks have to make the assessment on the repayment capacity at the end of the course period. He informed that the repayment period under Education Loan has been extended up to 15 years from 7 years. He added that the fee enhanced by private colleges for mere reasons that collateral free loan is available should also come down. If the repayment is only 30%, it would be very unviable to banks. Therefore the borrowers must commit

themselves to payback the credit availed of by them on time, a practice that need to be cultivated by themselves. He requested the support from Government of Kerala for conveying this message in order that banks and borrowers respect each other and help circulate a steady supply of money within the system.

In reply to this, **Sri. K. M. Mani**, Hon'ble Minister for Finance, Government of Kerala assured the forum that Government need to tighten the steps for revenue recovery proceedings. The information would be passed on to the Minister for Revenue for taking necessary action. He suggested that as part of RR proceedings, the money should be collected by banks without harassing the small and weaker sections of the people.

**Sri. K. Jayakumar IAS**, Additional Chief Secretary & APC, Government of Kerala in his address complimented SLBC for the 100% achievement in Financial Inclusion in the State with the co-operation of Government agencies and banking sector. He then touched upon the following important aspects.

- Financial Inclusion is a social achievement which would prevent people from falling into the rackets of money chains, hawala etc. especially in the context of remittance from abroad.
- Apart from statistical achievement financial inclusion would have more human and social dimension.
- In parallel to this, for promoting and popularizing Kisan Credit Cards, few meetings of banks and Government representatives were already conducted. He expressed gratitude that banking sector has very promptly acted on the recommendation on the sub-committee meeting for giving publicity on KCCs in FM Radio. He said that these kinds of initiatives taken by banks for popularizing KCCs would channelize more hassle free credit to the farmers.
- Agriculture sector is receiving renewed push in the changed atmosphere in Kerala. The Government of Kerala had given unprecedented importance for reactivating the farming activities in the State for which Government is slowly negotiating all the limitations like absence of large farms, economy of scale, shortage of agriculture labour, resistance for farm mechanization, insufficient machinery etc. so as to make a new shift in this sector.
- Apart from Statistics, the commitments and responsibilities of banking sector should be realistic towards schematic linkage or programmatic linkage. There should be an understanding and appreciation of the Government policies and programmes in agriculture sector.
- The productivity in agriculture sector is a matter of concern and we may not be able to increase production without achieving productivity growth. Therefore, in the forthcoming plan, Government of Kerala has given more emphasize on promoting (i) Precision farming (ii) Hi-tech farming where in new focus will be given in the area of marketing, exporting, value addition etc.
- During the Budget Speech, Hon'ble Finance Minister of Kerala had announced a sort of Contract Farming Model under agriculture sector that has to be undertaken by prominent NGOs in the State. Banking sector would have to step in at this crucial juncture and encourage that kind of collective farming wherein all kinds of activities like marketing, value addition, training etc. can be pooled together that would make such programmes as productive as possible.

In conclusion, Sri. K. Jayakumar IAS requested all banks to be active partners in the programmes of State Government so as to bring back agriculture in the centre stage of the State.

**Sri. P. K. Mohanty IAS**, Additional Chief Secretary, Fisheries Department, Government of Kerala in his address stressed upon the following points.

- Fisheries sector is an important sector in the State of Kerala. Even though national level our contribution is just about 1% of the GDP, in Kerala our contribution is 3 times of that i.e. little more than 3% of the SDP.
- Fishermen are the poorest of the lot, who need support in terms of various bank loans for which he sought co-operation of banks in extending loans as liberal as possible and also work out viable schemes leading to prompt repayment of loans.
- In modern days, collection of EMIs/dues would be handled through ATMs. Therefore, he suggested that in the coastal/fishermen area, the SLBC should think of establishing such ATMs where money can be deposited, accepted and receipt can be generated. This would help the fishermen since the moment he gets money, he can make the remittance. The repayment for loans shall preferably be on a weekly basis rather than monthly basis. He suggested that some kind of innovative projects for fishermen in Kerala have to be worked out by SLBC which would be welcomed.

**Sri. S. Subbiah IAS**, Principal Secretary, SC/ST Development Department, Government of Kerala highlighted the following points in his address.

- As per the statistics, advances to weaker section as at June 2011 quarter showed a negative growth of Rs. 1936 crores over March 2011.
- Advances to SC category showed a negative growth of Rs. 88 crores
- The share of Private Sector Banks is only 0.77%.
- DRI Advances as at June 2011 is only 0.02% of total advances.
- Though 100% financial inclusion is achieved figures such as DRI advances does not match with our self appreciation.
- Quoting the suicide of a tribal in Kottayam District, he requested that branch level officers need to be little more empathetic co-operative with the downtrodden people.
- Under the 12<sup>th</sup> Plan, Government of Kerala is planning to focus on micro finance to SC/ST and minority communities. Banks have to come forward and extend financial support to SC/ST and other minority communities under this.

**Sri. Subrata Biswas IAS**, Principal Secretary, Planning & Economic Affairs Department, Government of Kerala touched upon the following points in his address.

- 100% of financial inclusion is a pinnacle, wherein Banking channels have been provided in all the villages in the State. This means that our responsibility is going to be increased many fold in the coming years.
- Government of India and Government of Kerala are in the process of finalization of 12<sup>th</sup> Five Year Plan. Banking sector have to really hold hand with the plan process of the State. In this occasion, he mentioned that some kind of commitment from the bankers'

side is essential in enhancing investment credit for productive purpose and asset creation which would act as an engine for growth. In this connection, the Convenor SLBC/NABARD would have to set some kind of targets matching with State's requirement.

- In the investment credit front, except for one or two areas like plantation, horticulture and other sectors wherein we have exceeded the target, our achievement was not up to the mark in rest of the segments.
- Under the 12<sup>th</sup> Five Year Plan, Government has given more emphasis to both agriculture and allied sectors especially in the extension front. Since the expertise of Krishi Bhavan officers have not been used by the farmers, conscious efforts would be taken to ensure that farmers absorb latest technologies for making their farming easy. He noted that in some pockets, farmers have done extremely well on precision farming, organic farming etc. thereby enhancing the productivity. He suggested that there would be huge emphasize on high tech farming in agriculture and allied sectors and Banks need to support with credit flow in these sector. He observed that during the last couple of years investment credit target has been hovering around Rs.4000-Rs.5000 crores and we should try to increase the same to Rs. 10,000 crores per annum.
- As per the direction from Government of India, some preliminary meetings were held for popularizing the Kisan Credit Cards. Government is committed to extend whatever support required by banks in this regard. He expressed hope that things would really look up in the coming days.
- Referring to Education Loans, he informed that there were lot of complaints and dissatisfaction in this front. Bankers would have to extend slightly more positive attitude towards the beneficiaries.
- He noted that unlike Agriculture sector, in Animal Husbandry Sector, the interest rate is at PLR level. On account of this, in the budget for the current year Government had made a provision of interest subsidy to Animal Husbandry sector which was found to be very useful to the farmers. In this sector extension of loan is poor. Since growth rate under this sector is good, the sector needs support and if supported, it would really contribute to the growth of the State. He also appealed to the forum to ensure that the State plan be matched with the district/block level credit plan of banks.

**Sri. James Varghese IAS**, Principal Secretary, Local Self Government Department, Government of Kerala highlighted the following points in his address.

- Referring to Sanction on credit linkage under Government sponsored programmes, he observed that the same is bit tardy in certain cases. He requested bankers to give enough attention towards the schemes like ISHUP, SJSRY, and SGSY where there is more scope for improvement.
- The present complaints about diffusion of resources among the panchayat wards would be addressed in the 12<sup>th</sup> Five Year Plan. Government is going to give more stress for panchayats so that lot of better and bigger conceived plans come up in the Panchayat scenario. He requested the support of bankers.
- State Government is going to make number of developmental projects especially in the base management, infrastructure and other sectors. This may result in requirements like consortia or Term Loans etc which may be taken care by the Banking sector. He requested banking sector to be pro-active in the rural development efforts.

**Smt. Suma Varma**, Regional Director, Reserve Bank of India in her address pointed out that the day of the meeting is a historic day for all in the State as Kerala becomes the first State to achieve the complete banking coverage in all its villages. She also observed that FLCCs were opened in all the districts. She extended wholehearted thanks for the efforts which have been put in by SLBC, all Banks, LDMs, State Government, BCs, Technology providers and also the people of the State who have come forward for making the big achievement. She then highlighted the following points.

- The slogan has been changed from Financial Inclusion to Meaningful Financing Inclusion. The challenge is to ensure that banking channels are increasingly used by the people for all their transactions. People should not lose their savings by going to unincorporated agents or illegal mechanisms. We need to ensure that the credit is given at reasonable cost and which could be utilized well. Now every family is having a bank account. Every village is having banking facilities. Every district is having Credit Advisory and Information Resource Centres. A study conducted by RBI recently had established the fact that in Kerala social infrastructure and literacy have preceded financial Inclusion. So we should be able to transfer all these benefits to everybody. We should increasingly be able to use these basic four products – a basic no frill accounts with overdraft facility, remittance product for Electronic Benefit Transfer, a pure savings product – recurring deposits account and GCC/KCC.
- As per statistics, over 32 lakh KCCs have been issued to 66 lakh farmers in the State. At the same time, production in agriculture sector has been declining. So the productivity in the field of Agriculture has to be improved. Some long term investments are to be promoted in a big way in this vital sector. So more attention to be paid to the investment in agriculture - Farm Mechanization, Minor Irrigation, Land Development – as well as in every sub-sector under allied industries - Dairy, Poultry, Goat Rearing, Fisheries etc. Banks' to concentrate on issuing more number of smart cards.
- Referring to Meaningful Financial Inclusion she said that when RBI Governor had visited in Ernakulam District during March 2011, he had thrown a challenge to the bankers, State Government and to all the stakeholders and said that Ernakulam has been first in the country on many parameters, and hence why not it also be the first in the country regarding Meaningful Financial Inclusion. So there is a major drive at Ernakulam. She said that she has been personally monitoring some of the progress there and said that all the stakeholders have come forward to make this possible.
- She observed that in order to improve investment credit in Agriculture sector, SLBC has suggested upward revision of Agricultural Term Loan in ACP for 2011-12 from Rs. 4,370 crores to Rs. 12,405 crores. Since it would not be an easy kind of target, it should be pursued with diligence. She was sure that SLBC should be able to achieve this with the guidance from NABARD.
- As in Financial Inclusion, Government of India had set short term targets for banks to achieve in agriculture sector. One such target is the doubling of borrowal accounts in agricultural sector by March 2012. Another is issue of KCC to all eligible farmers and Central Ministry of Agriculture in its letter written to the Chief Secretaries of all States had advised to review progress in this regard and to formulate detailed action plan for promotion of JLG-KCC and SHG-KCC linkage programme. This requires time bound decentralized campaign to cover all eligible farmers under KCC. SLBC had taken a

series of decisions aimed at widening and deepening the spread of KCC. Progress needs to be reviewed in SLBC meetings and she expressed hope in achieving the target.

- There is no dearth of schemes both from Government of India and Government of Kerala and whether it is in Agriculture, MSME or in other areas and all of them would come in handy for working towards for achieving this goal.

**Sri. K. C. Shashidhar**, Chief General Manager, NABARD in his address touched upon the following important points:

- Each non-defaulter farmer is to be given Kisan Credit Card by 15.10.2011. He urged upon all LDMs to initiate adequate steps for providing KCCs to each non default farmers within the time frame through all banks in their district.
- Although quantum of the credit under agriculture is increasing, the number of agriculture loan accounts is almost stagnant. Hence, the number of accounts has to be increased.
- Each Bank has to formulate a scheme for giving Saving-cum-OD Account limit up to Rs. 10,000 against the personal guarantee of the villager and the villager should be able to use the bank account for savings or for meeting the requirements of consumption purposes.
- 3% incentives given to the farmers for prompt repayment. The scheme is not picking up. Therefore SLBC to examine the reasons for low level of pickup.
- Government of India had given a target of 6600 units for Kerala under Solar Mission. Banks in the State have to provide adequate finance under this solar mission.
- All the aspects including publicity, collection of data relating to primary co-operative banks, district co-operative banks etc. would be available with Managing Director, Kerala State Co-operative Bank. SLBC to take note of the same and ensure that the same is also provided.
- More incentives to be provided to producers' organization. LDMs can play a major role in this regard. NABARD would be providing all support to LDMs in this regard.

Speaking on the occasion, **Sri. T. K. Jose IAS**, Chairman, Coconut Development Board explained the development efforts initiated by Coconut Development Board after the previous SLBC meeting.

- Coconut Development Board is in the process of formation of coconut producer's societies and by the end of December 2011 it is expected that around 1000 societies would be formed in Kerala, 500 each in Karnataka, Tamilnadu and Andhra Pradesh. Further, with the help of NABARD and SFAC, Coconut Development Board is slowly moving towards the concept of producer's company by the end of the financial year. As such, producer's societies at grass root level would be able to increase the productivity plus reduce the cost of cultivation and aggregate more coconut products.
- Under the labour bank named "Friends of Coconut Tree", almost 1000 farmers have already been trained and continuous batch training is going on at 10 centres across the State. Unlike in other crops quality seedling production needs lot of time and is a very tedious process in the case of coconut. Coconut Development Board had evolved a concept called Community based farmer participatory quality hybrid seedling production process for which adequate support from banks is required. Under the 12<sup>th</sup> Five Year Plan, Coconut Development would take this as a major theme for area expansion as well

as replanting and rejuvenation. Since the existing capacity of the country is very poor even in importing such high yielding varieties of hybrid seedlings, Coconut Development Board is working hard with research and academic institutions to address these lacunae. Coconut Development Board is having an ambitious target for extending training to the resource persons in this aspect. Trained manpower is very important and without the participation of farmers, the target cannot be achieved.

- Referring to the Technology mission on coconut at national level, he informed that since the last meeting, 27 medium units have been sanctioned with project cost around Rs. 35 crores and a backend subsidy to the tune of Rs. 7 crores have been distributed to the banks. Coconut Development Board under technology mission is only supporting bank linked projects. At least 40% of project cost should be by way of long term loan from banks and subsidy is routed through the bank account only.
- For creating more awareness on coconut farming, Coconut Development Board had made a tie up arrangement with one of the major dailies in Kerala - Mathrubhumi and started a massive programme called “My Coconut Tree” at selected schools where the students and teachers together started planting of coconut seedlings. Almost all the schools in Kerala would be covered within 3 year period. Coconut Development Board has also launched a massive elocution competition programme among the school children on the beneficial values of coconut tree as well as products of coconut tree in Kerala and India. He expected that an around of 12,000 students would be participating in the competition to be held in 38 venues across the State.
- He congratulated all, especially Canara Bank, RBI, NABARD for achieving 100% banking coverage in the State. A good coverage is excellent, but adding quality content and more value should be looked into as still a good number of small and marginal farmers are out of the Banking ambit.
- Coconut Development Board would solicit the support from banks for extending the banking facilities to the coconut farmers so as to increase the credit input into the coconut sector which would improve the productivity. Coconut producer’s society would be a major vehicle by which Coconut Development is trying to achieve this.
- Coconut Development Board would require adequate support from banks in promoting projects aimed for making value addition in coconut. The board the export promotion council is looking for such value added coconut products. A single product account for around 42% of the coconut export from the country ie. Activated Carbon. If a product from coconut shell alone can make this big contribution one can just think of the business potential from this sector. Without looking into the crop of coconut in Kerala at grass root level, the State Domestic Products (SDP) cannot increase. The distributive effect of value addition and productivity enhancement from coconut would be tremendous for the State.

The contents of the power point presentation of Coconut Development Board are given below.

#### Objectives of “Friends of Coconut Tree”

- To develop a professional group of 5000 youth under the banner “Friends of Coconut Trees” for harvesting and plant protection operations

- To impart training to a group of under employed youth in developing technical skills, entrepreneurship capacity, leadership qualities and communication skills to address the needs of the coconut growers
- To tackle the problem of unavailability of coconut tree climbers for coconut farming and plant protection activities
- Generate appropriate technologies to support sustainable growth of coconut sector and generate employment opportunities for the youth

#### Present Status

- Training commenced from 17.8.2011 in 11 Districts.
- Response was overwhelming.
- Five batches completed and 766 youths trained and in field operation.
- Targeted to train 5000 Friends of Coconut Trees during this financial year
- Will be extended to other states.
- 2 batches of trainees from Lakshadweep already registered.

#### Mode of Implementation

- Programme to be implemented in 10 major Districts of Kerala - Kasargod, Kannur, Calicut, Malappuram, Palakkad, Thrissur, Ernakulam, Allepey, Kollam and Trivandrum covering 500 participants per district
- Registration through *Kera karshaka samithis*, Krishi Vigyan Kendras, clusters, Coconut Producers societies(CPS), youth clubs under Nehru Yuva Kendras, Kudumbushree Units, Vikas Vahini Volunteer (VVV) clubs of NABARD, Primary Agricultural Societies, Coconut Growers Cooperatives, NGOs and Self Help Groups.

#### Criteria for Selection

- Age group of 18-40 yrs
- Preferably underemployed
- Healthy Individuals and free from any disability
- Education up to primary level
- Minimum 30% of trainees to be women.

#### Programme Coverage

- Developing leadership quality and communication skills
- Entrepreneurship development skills
- Thrift/savings Management
- Coconut Climbing techniques
- Coconut harvesting operations
- Spraying and pest control operations
- Pollination and hybridization techniques
- Plant protection operations
- Identification of tender nut, mature coconut and seed nut

Total Number of Trained Youths - 766

### Coconut producers' society - the concept

- A non subsidized knowledge based, farmer centred approach in organizing farmers.
- Total inclusive growth of the farmers.
- Facilitation, handholding, nurturing empowering and finally leading to sustainability.
- Group Approach.
- Development of Infrastructure.
- Reduction of wastages.
- Disintermediation of the supply chain.
- Product diversification and value addition.
- Enhanced production, productivity.
- Market expansion

### Coconut producers' society - the methodology

- Organization of farmer in a contiguous area 40-100 farmers
- Minimum of 10 bearing palms for a member.
- Legal status by registration under Charitable Societies Act.
- Registration with the Board.
- Common byelaw for all the societies

### Coconut producers' society - the activity

- Regular meetings and discussion of activities.
- Collective purchase of all inputs.
- Effective pooling of resources like labour.
- Production planning and marketing plan for CPS.
- Integration of activities in production and marketing.
- Synchronizing of harvesting.
- Small scale processing at CPS level.
- Networking of CPS to an apex body.
- Better by product utilization.
- Effective logistics.
- Generation of rural employment.
- Enhanced and sustained returns to the farmer.

In his remarks, **Sri. V. K. Chopra**, Deputy Secretary to Government of India, Ministry of Finance, Department of Financial Services expressed satisfaction and congratulated all members for the efforts taken for total coverage of all the villages in the State of Kerala with banking facilities. He then highlighted the following points.

- Referring to meaningful financial inclusion, he informed that Department of Financial Services, Government of India had issued instructions to all banks saying that service area plans have to be finalized for each village in each district. Some basic works in this regard had already been initiated and the work has to be completed within the time frame.

- All banks in the State have to ensure that the target under KCC is achieved within the time frame of 15.10.2011.
- Noticing the difficulties in opening bank accounts, he reiterated the RBI guidelines in this regard and requested all banks to adhere to the same.
- Under the financial inclusion, floating population also should be covered. Some system has to be in place where the families of migrating workers can open and operate the bank accounts.
- Transfer of funds under different schemes should be by way of e-payments.
- The front office of RRBs should be similar to that of the sponsor banks.
- All banks to give more term loans as part of the 100% coverage.

Speaking on the occasion, **Sri. S. Balachandran**, Chief General Manager, State Bank of Travancore informed that SBT could make significant contribution in the achievement of total financial inclusion since the bank was allotted largest number of villages in the State. He further highlighted the following points.

- Banks in the State have performed well under priority sector, agriculture, Credit Deposit Ratio etc.
- The performance under Annual Credit Plan for June 2011 quarter is 21.8% which is less than that of the previous year ie. 25%. He expressed hope to cover the same in the coming quarters.
- In Agriculture front, SBT had gone ahead as in the case of previous year through special campaign called Haritholsavam.
- SBT had provided fresh finance to 1.98 lakh farmers during the quarter.
- Under Education Loan during the financial year Rs. 118 crore have been extended up to August 2011.
- SBT with the largest branch network in the State of Kerala would always support the initiatives taken by SLBC/Government.

**Sri. V. Murali**, Chief General Manager, State Bank of India remarked that Kerala can be proud of achieving the total banking coverage in all its villages. SBI is committed to address the issues raised by Hon'ble Finance Minister of Kerala. He offered wholehearted support for all the initiatives taken by SLBC/Government.

**Smt. Suman Lata Goyal**, Relationship Manager, UIDAI in her remarks, congratulated the SLBC for the achievement of complete banking coverage in all the villages. She informed that the basic aim of Aadhaar is to issue a unique identity to every citizen of the country. All the villages in the State are now brought under Banking coverage, but all the residents are yet to be financially included. Basically in financial sector UIDAI's programme Aadhaar, would be contributing, supplementing and easing out the things which are otherwise being taken care by all the banks in the State. Then she made a detailed power point presentation on Aadhaar.

#### Need for AADHAAR

- To provide clean, accessible identification that can be used for claiming benefits & entitlement
- Prevent duplication of effort and leakages existent in the current system
- Enable service and applications that require a verifiable unique ID

### UIDAI mandate

- To provide a unique number to the residents of India
- Collect basic demographic and biometric information
- Guarantee non-duplication through biometrics
- Offer online authentication services that can be used across India

### Features of Aadhaar

- Only Numbers – No Cards
- Random Numbers – No Intelligence
- Standard Attributes – No Profiling
- All Residents – Including Children
- Flexibility to Partners
- No Transaction Records
- No Guarantees to Rights, Citizenship, Entitlements
- Uniqueness – Ensured through biometric attributes
- De-novo creation of database
- Ubiquitous Authentication – anytime any where
- Basic Demographic Information
- Ensuring Security and Privacy of Information

### Information collected from residents

- KYR Fields – Name, Address, Gender, DOB
- Photo & Address Verification – PoI and PoA
- 10-fingerprints on Slap scanner
- Iris Scan
- KYR+ Fields (basis Registrar requirements)

### Current status

- MoUs with ~ 70 Registrars
- Currently > 32 active Registrars
- UIDs issued reached 10,00,000 per day on 28 September 2011.
- Aadhaar Numbers issued – 3.84 crores as on date

### AADHAAR & Financial Inclusion

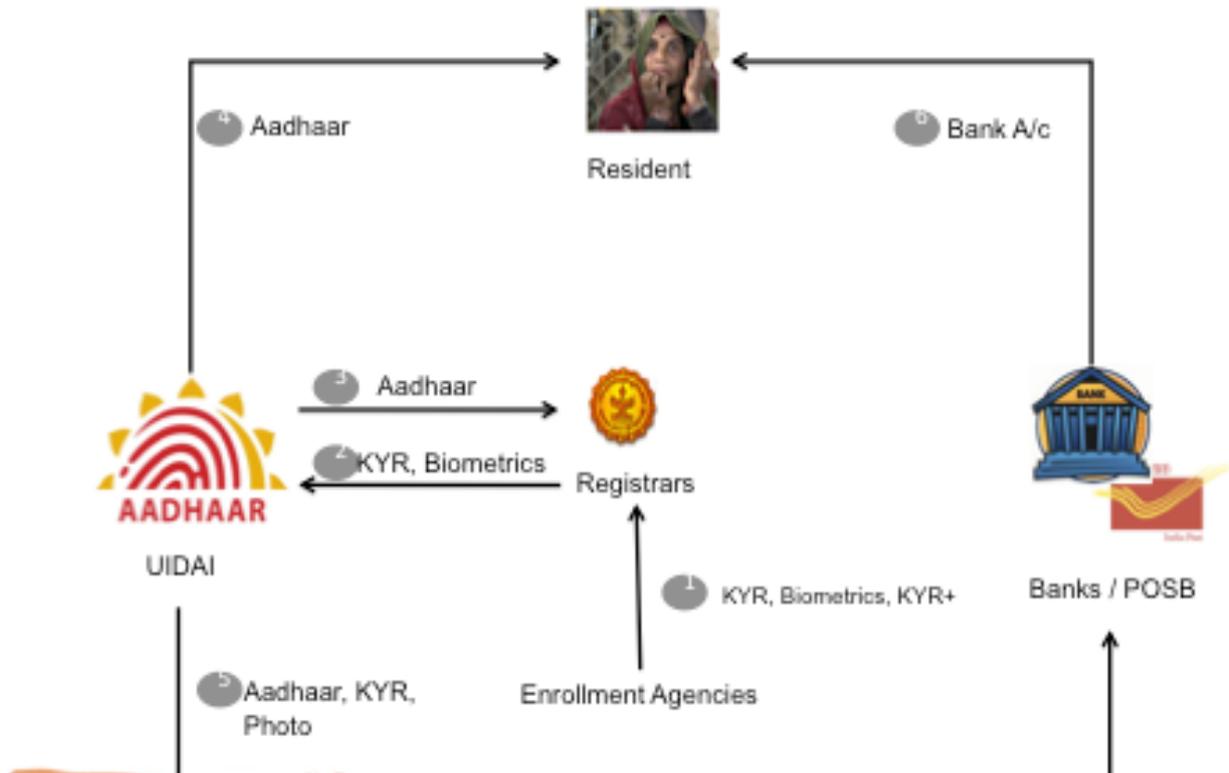
#### Empanelment of Banks for receiving data for opening of Bank Accounts during Aadhaar enrolment

- UIDAI is facilitating the opening of accounts with Empanelled banks at the time of Aadhaar enrollment
- UIDAI proposes offering the choice of opening of bank accounts for residents when they come for Aadhaar enrollment
- If the resident provides consent, their information will be sent electronically to the bank of choice for opening the account
- Request For Empanelment of Banks issued in February 2011
- 64 Banks empanelled in May 2011
- Opening of upto 10 crore accounts

### District wise Number of Banks Empanelled

| District in the state of Kerala | No. of banks for opening accounts District wise |
|---------------------------------|---|
| Alappuzha                       | 19  |
| Earnakulam                      | 26  |
| Idukki                          | 15  |
| Kannur                          | 20  |
| Kasaragod                       | 17  |
| Kollam                          | 22  |
| Kottayam                        | 22  |
| Kazhokode                       | 21  |
| Malappuram                      | 19  |
| Palakkad                        | 20  |
| Parthanamthitta                 | 19  |
| Thiruvananthapuram              | 23  |
| Trissur                         | 22  |
| Wayanad                         | 13  |

### Opening Aadhaar enabled bank accounts



All pieces of the micropayment solution exist, Aadhaar will just be the glue

- No Frills Account
- Business
- Correspondents
- Mobile Banking
- Payment Authority
- Any Account, Anywhere Technology
- Mobile Phone Use

Scheme of Empanelment

- Case I: RBI allocated village for FI
- Case II: Bank as Registrar
- Case III: Non bank registrar, rest of the country
- Case IV: Aadhaar has been issued before empanelment

In conclusion she explained the Aadhaar enabled government disbursements and Aadhaar Enabled Payments

**Sri. K. S. Prabhakara Rao**, General Manager, Canara Bank presented the action taken report on providing Agriculture Credit Facility to all farmers in the State raised by Ministry of Finance:

| Sl. No. | Issues  | Action  |
|---------|---|---|
| 1       | Finalization of a common format for crop loan which will be applicable to all banks   | <i>The Sub-committee of SLBC, Kerala had devised a Common application format to be used by all banks uniformly both in English &amp; Malayalam. The soft copies of this had been provided to the Controlling Offices of all Banks and LDMs. Printed copies of Malayalam version was also supplied to the Assistance Director of Agriculture in the 152 Blocks of the State of Kerala.</i> |
| 2       | Centralized Printing of the Format  | <i>SLBC had undertaken printing of Malayalam version of the Common format which had been dispatched to 152 Block level Assistant Director of Agriculture.</i>   |
| 3       | Assignment of a group of villages to various field functionaries for collection of application form for crop loan (Includes functionaries of rural development, agriculture department, co-operative department, panchayat department and sugarcane department etc to name a few) | <i>As per the sub-committee decision banks were instructed to adopt the Service Area Approach for financing farmers and LDMs were requested to specifically allocate areas to banks. This has also been complied.</i>   |
| 4       | Application to be submitted to each bank in whose “service area” the village falls  | <i>As per the sub-committee decision Farmers have been given the option to submit the applications directly to banks or to the Agricultural Officers of the Krishi Bhavans in their area.</i>   |

| <b>Sl. No.</b> | <b>Issues</b>  | <b>Action</b>  |
|----------------|--|--|
| 5              | No Bank to charge any fees for crop loan which include documentation fee, inspection, advocate, processing and renewal.  | <i>The Sub-Committee examined the issue and recommended to Controlling Offices of all Banks to comply with the requirements. Compliance to be confirmed by SLBC member banks.</i>  |
| 6              | Bank to sanction a permanent cash credit limit to be renewed each year on the verification of land holding. Since land records have been put online, this will be verified by the Bank themselves.   | <i>The Sub-Committee recommended providing Kisan Credit Card to all the farmers which complies with the requirements stated in the issue.</i>  |
| 7              | There will be no requirement of getting no dues certificate from other Banks. It is the responsibility of other banks to inform the bank having the village in the service area to inform of any dues outstanding.   | <i>The Sub-Committee decided that There will be no requirement for getting no due certificate from other banks. It is the responsibility of other participating banks to inform the financing bank about any dues outstanding.</i>                         |
| 8              | All Lead district offices to conduct special DCC meetings by 20.09.2011 to discuss the modalities for extending crop loans covering all the farmers in the state. Similarly extending KCC loans to non-defaulter farmers by 15.10.2011, without fail.  | <i>All Lead Bank Offices have conducted special DCCs and confirmed to SLBC.</i>  |
| 9              | Each Bank in the State to work out a scheme, if none exists for giving savings – cum – OD account to other families which do not have any land and live in the rural areas. This account should have an OD limit of up to Rs.10,000/- against the personal guarantee of the villager and the villager should be able to use the bank account for savings or for meeting the requirements of consumption purposes on a need base basis and use the OD. In our Bank, we had advised our branches to provide the above facility through GCC scheme. | <i>The matter has been placed as an agenda item in the 104<sup>th</sup> SLBC meeting for compliance of banks.</i><br><br><i>In Canara Bank, branches are providing credit facility to meet this requirement through General Purpose Credit Card.</i>       |
| 10             | E-payments especially of MGNREGA through Banks as per letter No. 31/3/2011-BO.11 dated 11th August 2011 (circular No. 1/2011).   | <i>Convenor, SLBC met Chief Secretary of Kerala State and had a discussion on the matter. Chief Secretary informed that the Government is seized of the matter and will do the needful shortly. Meeting of Government and Banks would be held shortly.</i> |

| <b>Sl. No.</b> | <b>Issues</b>   | <b>Action</b>   |
|----------------|---|---|
| 11             | All the Lead Districts to ensure that all the payments made by the Government Departments in future shall be through electronic mode only | <i>SLBC had advised LDMs in this regard and had placed the item for discussion in the 104<sup>th</sup> SLBC.</i>            |
| 12             | Development of a plan for service area and sub-service area for each branch, BC and POS.  | <i>The issue has been placed in the 104<sup>th</sup> SLBC as an agenda item for discussion and adoption/implementation.</i> |

He then requested that as per directives of the finance ministry each Bank to work out a scheme for giving Saving-cum-OD Account limit of up to Rs. 10,000 against the personal guarantee of the beneficiaries. He expressed hope for completing the above tasks with the co-operation of all members.

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

## **1. ADOPTION OF MINUTES**

The forum unanimously adopted the minutes of the State Level Review Meeting (SLRM) of SLBC, Kerala held on 20<sup>th</sup> & 21<sup>st</sup> June 2011, which was forwarded to the members, vide Convenor's letter SLBC 38 1218 2011 KRA dated 25.07.2011.

## **2. REVIEW OF THE DECISIONS AND COMPLIANCE THEREOF THE EARLIER MEETINGS – PRIMARY SECTOR**

### **2.1.9. Providing Agriculture Credit Facility to farmers in the State – Coverage of all Farmers by 30.09.2011**

The forum noted the following:

As per letter from Ministry vide DO.No.1(4)/2011-CP dated 19<sup>th</sup> August 2011 the Secretary, Department of Financial Services, Ministry of Finance, Government of India had written to the Chairman of Canara Bank – the SLBC Convenor Bank emphasizing the need and importance of priority sector lending in eradicating poverty thereby contributing to the economic growth. Within that segment lending to Agriculture Sector, Crop loans was specifically stressed. Among the various items suggested he had enclosed a copy of the action plan suggested by SLBC, U.P, with a request to get such an action plan approved in SLBC, Kerala too. It was also suggested to constitute a small group of banks to review the progress at the field on an alternate day basis. The target was to ensure that each farmer in the State gets an agriculture credit limit sanctioned by 30.09.2011.

#### **Action Taken Report by SLBC, Kerala:**

A State level Sub-committee meeting of select Banks and other stakeholders was conducted on 22.08.2011 at Canara Bank Circle Office, Trivandrum. The meeting formulated strategies for ensuring achievement of this target. The decisions of the meeting were as follows:

- Three Channels shall be put into force for implementation:
  - ✓ Banking channel involving Controlling Office of banks and its branches, NABARD through PACS.
  - ✓ SLBC through LDMs and the banking network at the district/block level.
  - ✓ State Government intervention through Agricultural Department, Local Self Government Institutions, Rural Development Department etc.

For sourcing of applications massive campaigns shall be launched at all levels within the State (preferably to be done on a predetermined date in consultation with the Government/ Agriculture Department.) – SLBC Convener to finalize this in consultation with Agricultural Production Commissioner of the state.

- Agricultural credit facility will be made available to the farmers adopting the old service area approach. LDMs to inform this to bank branches in their district for equitable participation of Banks and to avoid bunching of loan applications.
- A common bilingual application form was evolved for uniform adoption by Banks across the State. Soft copies of the application are circulated by SLBC to controlling offices of Banks for onward transmission and usage at their branches.
- While submitting the applications the farmers need to submit the photocopy of the land tax paid receipt at the first instance. The original tax paid receipt and possession certificate shall be submitted upon provisional sanctioning but before availing the loan. If the farmers who have submitted application are unable to submit the same then it is construed that the farmer is having limits with other institutions.
- Banks shall waive processing charges, documentation fee, inspection charges, advocate fee, renewal fee etc. while making available the said agricultural facility. Controlling offices of Banks should take up the matter with their corporate offices for necessary permissions in this regard for adoption.
- LDMs of respective districts have conducted DCC meetings to formulate action plan for respective districts. LDMs should liaise with Agriculture department for mobilizing maximum applications and creating awareness among farmers.
- Widespread campaign through the print & visual media with the support of State Government to be organized with immediate effect to popularize the effort. While conducting the awareness campaign it should be clearly publicized that the campaign is for those farmers who are presently not enjoying any credit facility with Banks/ co operative societies.
- Common publicity materials like posters may be prepared at SLBC Cell on cost sharing basis for uniform circulation. SLBC cell has already prepared poster which was circulated to all the Bank branches in the State including co operatives through LDMs.
- September 2011 would be declared as KCC month in the State and all banks should observe KCC month in a big way undertaking campaigns at individual level.
- Controlling offices of Banks should report the progress made in providing credit facilities to farmers on a daily basis before 4 pm to SLBC cell for enabling consolidation and onward submission to Ministry as desired by them.

- NABARD would also formulate strategies for effective publicity, awareness and linkage through PACS.
- The meeting observed that the data pertaining to PACS are not included in the data supplied by SLBC and hence the coverage is likely to be much more than what is reported. Hence it was decided to collect the data pertaining to PACS from NABARD hence forth for compilation of SLBC data. NABARD, SLBC and representative of Registrar of Co-operatives to ensure reporting and compiling of the data.
- The support from commodity boards like Coffee Board, Tea Board, Coconut Board and Spices Board would be sought at grass roots where they have good presence in creating awareness, identification of beneficiaries, conducting campaign and for sourcing of applications. LDMs shall co-ordinate with these boards.
- Controlling offices should sensitize and instruct their branches for extending all co operation to Agriculture department and LDMs for successful completion of the campaign.
- RBI is already having a video film produced for Kisan Credit Cards. Possibilities to be explored for airing this through “Doordarshan”/ All India Radio.
- The DDC Meetings of respective districts will be conducted on 27th of every month. LDMs to liaise with District Collectors for involving other Government departments, local body officials to get their attention and involvement in our campaign.
- Controlling offices to instruct their branches for disposing off all loan applications within the time frame stipulated by RBI for priority sector lending.
- There will be no requirement for getting no due certificate from other banks. It is the responsibility of other participating banks to inform the financing bank about any dues outstanding.

### **Progress made after the Sub-committee Meeting**

- (i) A common loan application form for KCC was evolved and the same was circulated among Banks and LDMs for adoption and implementation. SLBC had forwarded the soft copy to Banks and LDMs with directions to co ordinate with Agriculture Department to canvass maximum number of applications and direct to bank branches of commercial Banks and co operatives according to service area norms.
- (ii) The daily data reporting format was also circulated among Banks.
- (iii) Publicity materials in vernacular (Posters) were prepared for creating awareness among farmers and the same was circulated to all bank branches through LDMs of respective Districts. Two posters each would be displayed in each branch.
- (iv) SLBC Cell had followed up with the LDMs of respective districts for the conduct of special DCC meetings involving various stakeholders at District level to ensure speedy implementation of the decisions taken at State level Sub-committee. All the 14 districts have conducted the special DCC and awareness is created at District level. In most of the meetings conducted at District level officials from Agriculture department also participated. The details of meetings conducted are given below:

### Conduct of Special DCC meetings

| District       | Date of Meeting |
|----------------|-----------------|
| Trivandrum     | 23.08.2011      |
| Kollam         | 23.08.2011      |
| Pathanamthitta | 03.09.2011      |
| Alappuzha      | 27.08.2011      |
| Kottayam       | 24.08.2011      |
| Idukki         | 23.08.2011      |
| Ernakulam      | 23.08.2011      |
| Thrissur       | 23.08.2011      |
| Malappuram     | 25.08.2011      |
| Palakkad       | 25.08.2011      |
| Calicut        | 26.08.2011      |
| Wayanad        | 26.08.2011      |
| Kannur         | 23.08.2011      |
| Kasargod       | 25.08.2011      |

SLBC Convenor met the Agricultural Production Commissioner (APC) of the State on 27.08.2011. A meeting was arranged on 20.09.2011 wherein APC, Principal Secretary (Planning), Additional Director of Agriculture, Additional Director of Animal Husbandry, Chief (Agriculture), State Planning Board, General Manager, NABARD, Assistant General Manager, RBI, Executives from Commercial Banks, LDMs etc. participated. In the meeting it was decided to conduct widespread and intensive campaign till 30.09.2011 with the support and co-operation of Agricultural Officers of Krishi Bhavans in creating awareness and sourcing of loan applications. APC reiterated the fact that September 2011 is declared as KCC month in the State for Banks and everything possible should be done for sourcing of loan applications. The following decisions were taken.

- (i) SLBC was assigned the task of printing vernacular version of application form and distribute it to all the 152 Assistant Directors of the State for onward transmission to Krishibhavans.  
**Action Taken** – *Two lakh copies of Malayalam version of KCC loan application were printed and distributed to the offices of Assistant Directors as decided.*
- (ii) It was decided to give advertisement in FM radio on cost sharing basis between SLBC/GOVT/NABARD.  
**Action Taken** - *Accordingly the advertisement in vernacular was recorded and aired in all the popular FM radio channels.*
- (iii) It was decided to give a publication of KCC in “Kerala Karshakan” a publication of Farm Information Bureau of State Government.  
**Action Taken** – *The article on KCC aimed to create awareness will be published in the ensuing release of the publication.*
- (iv) It was also decided to give adequate publicity through Doordarshan also.  
**Action Taken** – *A documentary feature of KCC will be recorded shortly for airing the same.*
- (v) Agriculture Officers of Krishi Bahavans were directed to compulsorily attend the BLBC/DCC/DLRC meetings which will enable these forums to sort out the grass root level issues.

**Action Taken** – In the meeting convened by Agricultural Production Commissioner on 24.09.2011, Department of Agriculture assured to give necessary directions in this regard to their Agricultural Officers.

(vi) It was also decided to discuss the matter in the ensuing SLBC scheduled on 30.09.2011.

**Action Taken** – The same was included as a tabled agenda item and discussed in detail.

(vii) To ensure enlisting of support from the village panchayats - APC suggested issuing necessary directions to the panchayat staff at grass root level through Local self Government Department (LSGD).

**Action Taken** - Agriculture Department assured to take up the matter with LSGD for issuing appropriate orders. The matter is being followed up.

(viii) Sensitization of Branch functionaries – It was decided to reiterate the directions already issued by Banks considering the urgency so that there is good co- ordination between Bank branches and Agricultural officers.

**Action Taken** - Most of the Controlling offices of Banks have already initiated steps for sensitization of branch functionaries. SLBC in its agenda & background papers of SLRM held on 20<sup>th</sup> & 21<sup>st</sup> June 2011 provided the salient features of Kisan Credit Card for information of Controlling Offices of Banks and for penetration to the field level functionaries.

(ix) APC assured that he would explore the possibilities of conducting a meeting of Principal Agricultural Officers (PAOs) of all the Districts of the State immediately.

**Action Taken** - A meeting was held on 24.09.2011 where in SLBC Convenor was also invited. In the meeting the details of KCC scheme was explained to all the PAOs and a copy of the posters and pamphlets prepared on the scheme were distributed by SLBC Cell. The SLBC representative sought maximum co-operation for sourcing of loan applications through Krishi Bhavans. Department of Agriculture offered their help in sourcing maximum applications.

## **Concerns**

- It was opined by many bankers and Department officials that the deadline of September 30<sup>th</sup> was too short to comply with the requirement and suggested to recommend the cut off date to 31<sup>st</sup> March 2012.
- The data flow from Controlling Offices of Banks is not taking place promptly. This hampers the consolidation of data on a daily basis at SLBC. Only less than 10 banks have submitted the data on a daily basis.

## **4. REVIEW OF THE DECISIONS AND COMPLIANCE THEREOF THE EARLIER MEETINGS – TERTIARY SECTOR & OTHER MATTERS**

### **4.1.8. Modifications suggested on the conduct of SLBC Meetings & formation of Subcommittees [Agenda cum information note as circulated by SLBC, Goa based on the remarks made by RBI Deputy Governor] (Suggested by SLBC Cell)**

Dr. K.C. Chakrabarty, Deputy Governor, Reserve Bank of India in the meeting of top Bank officials held at Mumbai on 14.06.2011 had highlighted following points regarding conduct of SLBC meetings:

- (i) SLBC meetings are to be conducted in a professional way.

- (ii) There should be continuity of person attending SLBC meetings. Every time new persons should not be deputed for SLBC meeting.
- (iii) Participation in the meeting should be at higher level.
- (iv) If any member is not in a position to attend the SLBC meeting, he should inform it to SLBC and permission should be sought from convener SLBC for leave of absence.
- (v) SLBC should devote more time for discussion on agenda items rather than speeches. Each member should bear this in mind while interacting in SLBC meetings.

Along with the above points the following agenda on subcommittee meetings was suggested by SLBC Cell.

- (vi) Instead of having multiple sub committees, it is proposed to have only three sub committees' viz. Sub committees on Primary, Secondary & Tertiary sectors. The respective subcommittees may meet once in a quarter preferably within 45 days from the end of the quarter and would discuss all the pending issues and agenda items pertaining to that sector in detail. The recommendations of the subcommittee will only be submitted to SLBC and SLBC would deliberate only on these recommendations. This would help to improve the efficiency of SLBC further. Besides the permanent members in each subcommittee, the Convenor of SLBC would have the discretion to include additional members depending on the nature of the issue and the expertise required in discussing the agenda items. The subcommittee on pending issues with Government would remain as it is as the same is formed for exclusive focus on clearing the agenda items which are long pending with the Government.

***The forum noted the above and decided to revise the Structure of the SLBC meeting as per the above. Instead of having multiple sub-committees, henceforth there will be only three sub-committees' viz. Sub-committees on Primary, Secondary & Tertiary sectors. The agenda items recommended by the Steering Committee Meeting of SLBC and the pending agenda items would be referred to the respective sub-committees and the decisions of the sub-committees only are placed in the SLBC meeting for decision/adoption.***

#### **4.1.9. Green Initiative – e-payment** (Suggested by Department of Financial Services, Ministry of Finance, Government of India)

To enhance use of e-payments, it will be appropriate if all schemes of Government of India and the State Governments which are being administered by the State Governments are implemented by carrying out the following:

- (i) All payments to be made to beneficiaries are made by electronic fund transfer to the respective accounts of beneficiaries. The banks have been asked to open 'no frill' accounts.
- (ii) The Lead Bank of the area has been advised to ensure that no beneficiary has any difficulty in opening a bank account.

It was advised to review the progress by the departments so as to ensure that with effect from 1<sup>st</sup> October, 2011 no payments are made or received through cheque except from such institutions which do not have Core Banking Solutions or have no access to ECS payment

facility (this includes certain Urban Co-operative Banks, Local Area Banks and State Co-operative Banks).

It was also suggested to hold a meeting and a plan worked out to give the details of the name of the Department and the schemes under which subsidy/loan/grant is given to the beneficiary by the Government Department or any authority/undertaking.

*The Department of Financial Services, Ministry of Finance suggested placing the item in the agenda of the current meeting of SLBC.*

**Action Taken Report** – *Convenor, SLBC met Chief Secretary of the State and had a discussion on the matter. Chief Secretary informed that the Government is seized of the matter and will do the needful shortly. Meeting of Government and Banks would be held shortly.*

***The forum noted the contents.***

#### **4.1.10. Finalizing Service Area Plan for all the Districts/State of Kerala** (Suggested by Department of Financial Services, Ministry of Finance, Government of India)

Government of India, Ministry of Finance has instructed the following action points to be implemented by the Banks.

- (i) A plan has to be prepared for each district in the State of Kerala as per the format given below. This plan needs to be put in place and approved by the DCC and SLBC. The outer time limit given was 20.09.2011.
- (ii) A special SLBC meeting may be convened for approval of the service plan at District level and State level at the earliest.
- (iii) Each non-defaulter farmer is to be given Kisan Credit Card. The list of farmers in each village is available with the local census office on a CD. The LDM of each district must work through the DCC and get this list made available for each village to the branch which are in its service area. This will apply to all commercial banks whether private sector or public sector operating in the State.
- (iv) Each Bank will work out a scheme, if none exists, for giving Saving-cum-OD Account to other facilities which do not have any land and live in the rural areas. This account should have on OD limit of up to Rs. 10,000 against the personal guarantee of the villager and the villager should be able to use the bank account for savings or for meeting the requirements of consumption purposes on a need base basis and use the OD.

**Action Taken Report** - *The matter was discussed in the Sub-committee of SLBC, Kerala. Some banks have started providing such facilities. It was decided to keep the matter as tabled agenda item in the ensuing SLBC meeting and to ensure implementation of the same by all the Banks.*

- (v) The Finance Secretary, Ministry of Finance, Government of India would be reviewing the performance of achievement as per Action Plan for each district and Kerala State as a whole.

**Service Area Plan of District**

State : Kerala

**Name of Block :**

| <b>Place of Village of 2000 (2001 Census) Population</b> | <b>BR/BC/ATM</b> | <b>Name of Bank</b> | <b>Name of Gram Panchayat</b> | <b>Name of Revenue Village</b> | <b>Population of Revenue Village (2001 Census)</b> | <b>Post Office/Sub Post Office Yes/No</b> |
|--|------------------|---------------------|-------------------------------|--------------------------------|--|---|
| <i>1</i>   | <i>2</i>         | <i>3</i>            | <i>4</i>                      | <i>5</i>                       | <i>6</i>   | <i>7</i>                                  |
|  |                  |                     |                               |                                |  |   |
|  |                  |                     |                               |                                |  |   |

Col.1: Name of each town and village in the block having population of 2000 or more (2001 Census) be given

Col.2: Please indicate if there is a bank branch there or a bank branch is to be opened and give the date and year of the proposed opening. If there is an existing BC, then write BC and if it is proposed, then month and year of appointment be given.

ATM: if there is an existing off site ATM, the same may be indicated and if it is proposed to open one, month and year of installation be indicated.

Col.3: Name of the bank which has a branch or intend to set up a branch, who has appointed a BC or who intend to appoint a BC, who has an ATM or intend to set up an ATM be given.

Col.4: Each commercial bank will have one or more gram panchayat as a part of service area.

Each BC will also have one or more gram panchayat assigned to him so that the BC is aware of the area of operation and works for financial inclusion. The area of BC should be compact with adjoining gram panchayat should only be given.

***The forum noted the contents. SLBC cell was directed to follow up with the LDMs for early compliance of the above directives of ministry.***

The forum reviewed the performance under various sectors as at June 2011 Quarter.

The 104<sup>th</sup> meeting of SLBC, Kerala concluded with the above deliberations.

**Smt. Archana S. Bhargava**, Executive Director, Canara Bank proposed vote of thanks.

## LIST OF PARTICIPANTS

### CHIEF GUEST

**Sri. K. M. Mani**

Finance Minister, Government of Kerala

### CHAIRMAN OF THE MEETING

**Sri. S. Raman**

Chairman & Managing Director, Canara Bank

### GOVERNMENT OF KERALA/INDIA / DEVELOPMENTAL AGENCIES

1. Sri. K. Jayakumar, IAS Additional Chief Secretary & APC
2. Sri. P. K. Mohanty, IAS Additional Chief Secretary, Fisheries Department
3. Sri. S. Subbiah, IAS Principal Secretary, SC/ST Development Department
4. Sri. Subrata Biswas, IAS Principal Secretary, Planning & Economic Affairs Department
5. Sri. James Varghese, IAS Principal Secretary, Local Self Government Department
6. Sri. T. K. Jose, IAS Chairman, Coconut Development Board
7. Smt. Sarada Muraleedharan, IAS Executive Director, Kudumbashree
8. Sri. V. K. Chopra Deputy Secretary, DFS, Ministry of Finance, Govt. of India
9. Sri. S. Dinesh Addl. Development Commissioner for Rural Development
10. Sri. K. Ajaya Kumar Director, Urban Affairs
11. Smt. S. Sushama Additional Secretary, Agriculture Department
12. Sri. A. R. Ajayakumar Joint Secretary, Finance Department
13. Smt. T. Nandini Kumari Special Officer, Collegiate Education Department
14. Dr. S. Regeena Special Officer, WTO Cell, Agriculture Department
15. Sri. George Thomas Joint Director, Industries & Commerce Department
16. Smt. Mumthaz Beegum Joint Registrar, Agriculture (PPM Cell) Department
17. Sri. S. Ameer Jan Joint Director of Dairy Development
18. Smt. K. S. Anitha Joint Director of Handloom & Textiles
19. Sri. P. C. Antonel Vaz Joint Director, Coir Board
20. Dr. L. Ravikumar Deputy Director of Animal Husbandry
21. Sri. V. Babu Deputy Director, Coir Board
22. Sri. R. Ajith Kumar Director of Marketing, Agriculture Department
23. Sri. P. Ramasamy Assistant Director, National Commission for SC
24. Dr. S. Raveendran Registrar of Co-operative Societies
25. Sri. Ramakrishnan K. K. Managing Director, SFAC
26. Sri. K. Mohanraju State Director, KVIC
27. Sri. M. Suresh Babu Director, KVIB
28. Smt. P. Jameela Deputy Director, KVIB
29. Sri. B. R. Krishnamurthy Deputy Director, National Horticulture Board
30. Sri. H. T. Suresh Regional Chief, HUDCO
31. Smt. Beena Philopose Assistant General Manager, HUDCO
32. Sri. Premnath Ravindranath General Manager, KFC
33. Sri. Sunil V. Kariat Divisional Manager, Oriental Insurance Co. Ltd.
34. Smt. Suman Lata Goyal Relationship Manager, Financial Inclusion, UIDAI
35. Sri. P. C. Jose Assistant Director, MSME Development Institute
36. Sri. Anney A. Philip Specialist-MIS & CM, Kudumbashree
37. Sri. S. Jayakumar Senior Superintendent, Directorate of Coir Development

### RESERVE BANK OF INDIA

1. Smt. Suma Varma Regional Director
2. Sri. K. D. Joseph Assistant General Manager

- |                            |                           |
|----------------------------|---------------------------|
| 3. Sri. P. Thomas          | Assistant General Manager |
| 4. Sri. V. Raveendran      | Assistant General Manager |
| 5. Sri. A. R. Balachandran | Manager                   |
| 6. Sri. P. Srinivasan      | Manager                   |

**NABARD/SIDBI/NHB**

- |                            |                                |
|----------------------------|--------------------------------|
| 2. Sri. K. C. Shashidhar   | Chief General Manager, NABARD  |
| 3. Sri. K. R. Rao          | General Manager, NABARD        |
| 4. Smt. G. Janaki          | Deputy General Manager, NABARD |
| 5. Sri. Sanjeev Srivastava | Assistant General Manager, NHB |
| 6. Smt. Daisy Xavier       | Manager, SIDBI                 |

**STATE BANK GROUP**

- |                            |                             |
|----------------------------|-----------------------------|
| 2. Sri. V. Murali          | Chief General Manager, SBI  |
| 3. Sri. S. Balachandran    | Chief General Manager, SBT  |
| 4. Sri. V. Kannan Kutty    | General Manager, SBT        |
| 5. Sri. Surendra Kumar     | Deputy General Manager, SBI |
| 6. Sri. Shivaswamy         | Deputy General Manager, SBT |
| 7. Sri. P. K. George       | Chief Manager, SBT          |
| 8. Sri. J. B. Subrahmanyam | Chief Manager, SBH          |

**PUBLIC SECTOR BANKS**

- |                              |  |
|------------------------------|--|
| 2. Smt. Indira Padmini       | Deputy General Manager, Indian Overseas Bank |
| 3. Sri. K. Padmakumar        | Deputy General Manager, Indian Bank          |
| 4. Sri. Anand Manavi         | Deputy General Manager, Union Bank of India  |
| 5. Sri. M. S. M. Varma       | Deputy General Manager, Syndicate Bank       |
| 6. Sri. H. S. Sheshadri      | Deputy General Manager, Vijaya Bank          |
| 7. Sri. Thomas George        | Deputy General Manager, Corporation Bank     |
| 8. Sri. Rajshekar Bhaskaran  | Regional Manager, Central Bank of India      |
| 9. Sri. J. Ganesh Kumar      | Assistant General Manager, Bank of Baroda    |
| 10. Sri. Vidyod Narayanan    | Assistant General Manager, IDBI Bank         |
| 11. Sri. D. Rajarathnam      | Deputy Zonal Manager, UCO Bank               |
| 12. Sri. M. Surendran Pillai | Chief Manager, Indian Bank                   |
| 13. Sri. A. V. Mohanan       | Chief Manager, Punjab National Bank          |
| 14. Sri. M. Raghavan         | Chief Manager, Syndicate Bank                |
| 15. Sri. S. Ganesan          | Chief Manager, Oriental Bank of Commerce     |
| 16. Sri. Sreekumar Menon     | BDM, Bank of India                           |
| 17. Sri. C. V. Rajan         | Senior Manager, Dena Bank                    |
| 18. Sri. R. Rajasekharan     | Senior Manager, Allahabad Bank               |
| 19. Sri. Alex Thomas         | Senior Manager, United Bank of India         |
| 20. Sri. N. Arumugan         | Senior Manager, Bank of Maharashtra          |
| 21. Sri. Madhusudanan        | Manager, Bank of India                       |
| 22. Sri. B. Viswanathan      | Manager, Vijaya Bank                         |
| 23. Sri. Adalarasan S        | Assistant Manager, Corporation Bank          |
| 24. Sri. N. S. Subramanian   | Deputy Chief Officer, Central Bank of India  |

**CONVENOR BANK (CANARA BANK)**

- |                              |  |
|------------------------------|--|
| 2. Smt. Archana S. Bhargava  | Executive Director                       |
| 3. Sri. T. Sreekanthan       | General Manager (Convener, SLBC, Kerala) |
| 4. Sri. K. S. Prabhakara Rao | General Manager                          |

|                            |                           |
|----------------------------|---------------------------|
| 5. Sri. S. S. Bhat         | Deputy General Manager    |
| 6. Sri. C. G. Nair         | Deputy General Manager    |
| 7. Sri. K. R. Balachandran | Deputy General Manager    |
| 8. Sri. Anil Kumar P       | Assistant General Manager |
| 9. Sri. K. R. Arun Kumar   | Senior Manager            |
| 10. Sri. R. Padmanabhan    | Manager                   |
| 11. Sri. Babu Venkitesh K  | Officer                   |

### **REGIONAL RURAL BANKS**

|                        |                     |
|------------------------|---------------------|
| 2. Sri. G. Pandurangan | Chairman, SMGB      |
| 3. Sri. V. K. Saigal   | Chairman, NMGB      |
| 4. Sri. Mukundan T     | Chief Manager, NMGB |

### **PRIVATE SECTOR BANKS**

|                            |  |
|----------------------------|--|
| 2. Sri. V. R. Madhavakumar | Deputy General Manager, Federal Bank         |
| 3. Sri. Jayakumar Nair     | Deputy General Manager, ICICI Bank           |
| 4. Sri. A. J. Joseph       | Deputy General Manager, Catholic Syrian Bank |
| 5. Sri. P. Manikandan      | Deputy General Manager, Dhanlaxmi Bank       |
| 6. Sri. Roy Varghese       | Deputy Vice President, AXIS Bank             |
| 7. Sri. Hari V             | Zonal Head, HDFC Bank                        |
| 8. Sri. Raju S.Nair        | Chief Manager, Federal Bank                  |
| 9. Smt. G. Maria Francis   | Chief Manager, South Indian Bank             |
| 10. Sri. T. T. Thomas      | Chief Manager, HDFC Bank                     |
| 11. Sri. N. Kandasamy      | Chief Manager, City Union Bank               |
| 12. Sri. N. Sekar          | Senior Manager, Tamilnad Mercantile Bank     |
| 13. Sri. Praveen           | Senior Branch Manager, Karnataka Bank        |
| 14. Smt. Supriya Shreedhar | Manager, Lakshmi Vilas Bank                  |
| 15. Smt. Sobha Manoj       | Credit Relationship Manager, ICICI Bank      |
| 16. Sri. K. P. Rajmohan    | Assistant Manager, ING Vysya Bank            |

### **CO-OPERATIVE BANKS**

|                            |  |
|----------------------------|--|
| 2. Smt. J. Saraswathy Amma | Deputy General Manager, Kerala State Co-op. Bank |
| 3. Sri. Reghunathan V      | Regional Manager, KSCARD Bank                    |
| 4. Smt. Brinda R.          | Agricultural Officer, KSCARD Bank                |

### **LEAD BANK OFFICES**

|                                      |                                       |
|--------------------------------------|---------------------------------------|
| 2. Sri. V. R. Muralidhar             | LDM, Indian Overseas Bank, Trivandrum |
| 3. Sri. C. R. Gopi Krishnan          | LDM, Indian Bank, Kollam              |
| 4. Sri. Radhakrishnan Nampoothiri P. | LDM, SBT, Pathanamthitta              |
| 5. Sri. K. R. Vaidyanathan           | LDM, SBT, Alappuzha                   |
| 6. Sri. K. Jayasankar                | LDM, SBT, Kottayam                    |
| 7. Sri. K. Babu Ganesh               | LDM, Union Bank of India, Idukki      |
| 8. Sri. K. R. Jayaprakash            | LDM, Union Bank of India, Ernakulam   |
| 9. Sri. R. Rajagopalan               | LDM, Canara Bank, Thrissur            |
| 10. Sri. O. Raveendran               | LDM, Canara Bank, Palakkad            |
| 11. Sri. P. Unnikrishnan             | LDM, Canara Bank, Malappuram          |
| 12. Sri. P. V. Surendran             | LDM, Canara Bank, Kozhikode           |
| 13. Sri. K. T. George                | LDM, Canara Bank, Wayanad             |
| 14. Sri. V. S. Jayaram               | LDM, Syndicate Bank, Kannur           |
| 15. Sri. M. Ajithkumar Menon         | LDM, Syndicate Bank, Kasaragod        |