

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

Convenor:

केनरा बैंक



Canara Bank

Ref: SLBC/143/Minutes/163/AJS

05/09/2024

(All Members of SLBC)

Dear Sir,


**Sub: Minutes of the 143<sup>rd</sup> Meeting of SLBC, Kerala**

We are forwarding herewith the minutes of the 143<sup>rd</sup> Meeting of SLBC, Kerala held on 30<sup>th</sup> August 2024 at Hotel Residency Tower, Thiruvananthapuram.

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,

  
K S Pradeep

Convenor, SLBC Kerala

& General Manager, Canara Bank

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**MINUTES OF THE 143<sup>rd</sup> MEETING OF  
STATE LEVEL BANKERS' COMMITTEE, KERALA  
Held on 30.08.2024 (Friday) at Hotel Residency Tower, Trivandrum**

The SLBC meeting commenced at 10.30pm. The List of participants is as per annexure.

**Shri. K S Pradeep, Convenor, SLBC& General Manager, Canara Bank** welcomed the dignitaries and participants to the 143<sup>rd</sup> Meeting of SLBC Kerala and invited Dr. V Venu IAS, Hon'ble Chief Secretary of Kerala for his address.

**Dr. V Venu IAS, Hon'ble Chief Secretary** in his speech addressed the following:

- He thanked the entire banking community as well as the SLBC forum for aligning with the views of the State Government.
- SLBC forum has been enriched over the years because of the contributions Smt. Sarada Muraleedharan IAS had made. She pointed the banking community to the areas where it will be beneficial to the economy of the state.
- He appreciated the lead bank for being with the State Government and uniting the banking community to the calls given.
- Hon'ble Chief Minister himself addressed the last SLBC meeting called for providing the relief measures to the land slide affected people of Wayanad. He also informed that there are 1000 of loans weighing heavily on the minds of the people who has been traumatized, families who have lost their bread winners. Banks were requested to do a bit in a way what they can be done.
- Hon'ble Chief Minister, took an all party meeting for discussing the Wayanad Landslide in which all the parties raised that the immediate step to be taken is waive off the loans availed by the affected people at the earliest.
- At this torment times the paying off of the loans should not be their priorities. All the bankers present here should communicate to the decision makers.
- He wished fruitfull discussions in the meeting and once again thanked the entire forum for the support provided during his tenure.

**Smt. Sarada Muraleedharan IAS, Additional Chief Secretary Planning and Economic Affairs** in her speech addressed the following:

- She remember the period from 2006-2012 when she was the Executive Director of the Kudumbashree Mission, there was a practice which is lost in the SLBC meetings, where there were discussions regarding how SLBC forum could contribute to the local economy of the State, Skilling, what improvement can be done in the farming as well as in the priority sector etc.
- The coordinated efforts of Kudumbashree, NABARD and the core committee of the SLBC made efforts to form the JLGs from the Kudumbashree groups as well as provide them with KCC loans. Other milestone was the strides made in the interest subvention provided to them.
- The Government did a public consultation soon after the last Special SLBC meeting the concerns of indebtedness were raised by several and the fear of insecurity was seen many of them. The people of that particular area have lost the capacity to repay the loans as they have lost their entire livelihood. Considering this the Government is waiting anxiously for the decision from the respective bank boards.
- The Government had completed micro planning for all the 1009 families affected directly by the disaster.
- Wayanad will be seeing a major rehabilitation exercise, for the same the Government expect the support of the banks also.
- With the whole hearted support from the banks of the state we can try to bring light to the lives of these families.
- She also pointed out regarding the issues of increasing informal credit amount the affected families for which the NABARD has agreed to provide financial counseling which we will be taking up at the earliest.

**Shri. Bhavendra Kumar, Executive Director, Canara Bank** in his presidential address touched up on the following:

- GDP is projected to grow at 7.2 per cent during the current fiscal. Rapid growth was evident in key segments of the service sector as well as manufacturing sector. Recent economic indicators for India continue to signal expansionary economic conditions driven by domestic demand. The Government has drastically stepped-up capital spending.
- The digital transformation of India that is currently underway is expected to accelerate the growth of e-commerce, changing the retail consumer market landscape over the next decade. This is attracting leading global multinationals in technology and e-commerce to the Indian market.

- The government is also working on expanding the reach of social security schemes of PMJJBY, PMSBY and APY. The ultimate success of all these initiatives calls for serious efforts from all the stake holders, in the process of implementation.
- The Gross State Domestic Product of Kerala for 2024-25 (at current prices) is projected to be Rs 13.11 Lakh crores, amounting to growth of 11.7% over 2023-24. The state also has a low unemployment rate and a high per capita income. The state government's steps in the financial year to promote renewable energy, particularly solar energy, by providing interest subsidies to preserve our environment are significant. The focus on sustainability and investment in green projects, developing sustainable products and services, reducing environmental impact is also commendable.
- In terms of business - Commercial banks have recorded a Total business of Rs.13.85 lakh Crores in the State. There was an increase of Rs. 1.61 lakh crores Y-O-Y. The Deposits increased by Rs. 79670 crores compared to previous June reaching a level of Rs. 8.05 lac crores and Advances increased by Rs. 81681 crores recording the level of Rs. 5.80 lac crores. The total Advances registered growth of 16%, Year-On-Year. Domestic deposits witnessed a Year-On-Year growth of 11 %, with an outstanding level at Rs.5.31 lac crores.
- 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 45%, 23% and 25% respectively.
- Advance to MSME sector have grown by 14% over the previous quarter to Rs 81275 crores.
- Under Annual Credit Plan the primary and secondary sectors, being the backbone of our economy, play a crucial role in driving growth, creating employment opportunities, and fostering economic development.
- The achievement under primary, secondary, tertiary sectors as on June 2024 are 31%, 46% and 14% respectively. It is appreciable that the bankers have very actively focussed during the first quarter on ACP targets which are vital for the sustainable growth of the State. Bankers must put more thrust in tertiary sector also.
- State Govt. has been extending all possible support to the banking fraternity in the State. The SLBC forum has been actively assisting the State Government in its endeavors to up lift the vulnerable sections of the society.
- He also thanked the Central and the State Governments and various developmental agencies, RBI and NABARD for the support, guidance and co-operation rendered to the banking sector in the State over the years.

**Shri. Thomas Mathew ,Regional Director, Reserve Bank of India** in his speech addressed the following:

- With natural calamities becoming frequent and more dreadful with each passing episode, people need to be taught about life saving techniques that could be used during such times. Disaster management is very important, and all developing sectors need to follow it .He pointed out the importance to educate ourselves and the people more about disaster management.
- The Special SLBC meeting conducted recently had discussed the way forward in providing relief measures to the disaster affected people and the steps to be taken on matters related to banks and various Government departments. RBI believes that the banks have started implementing the decisions taken therein. With regard to the issues faced by the banks in implementing the decision taken by Spl. SLBC on waiver of loans, the banks may very well decide to write off the loans of the identified borrowers, as per their board approved policy as it would serve the same purpose, to the borrower, effectively. He re-iterate that the same may be done on a case-to-case basis, depending on the genuine requirements. The banks should also take absolute care to ensure that confidentiality of their data is not compromised while sharing information among the stakeholders concerned. He also instructed not to share confidential data of customers should not be shared.
- RBI understand that the nominees and legal heirs of 42 claims under the Social Security Schemes have been identified and 10 Insurance claims under PMJJBY and PMSBY have been settled in the affected area of Wayanad, as on date. The process of identifying the legal heirs, in cases where the nominees have also lost their lives, is underway.
- Highlighting the core aspects of Central Banking and Monetary Policy Statements, that are based on an analysis of the evolving macroeconomic and financial developments in the economy, the Monetary Policy Committee (MPC), in its meeting on August 8,2024 decided to keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 6.50 per cent. The MPC also decided to remain focused on withdrawal of accommodation to ensure that inflation progressively aligns to the target, while supporting growth.

- Looking at the performance of the banks in Kerala, under the Annual Credit Plan for 2024-25, a total credit of `5,24,331.93 Cr. has been targeted, of which `2,54,352.55 Cr. is to the priority sector. Further, the targets for primary, secondary and tertiary sectors are `150405.26Cr, `81555.41Cr and `22391.87Cr, respectively. Coming to the performance of the banks during the QE June 2024, it is heartening to note that the banks have performed well in achieving the targets under Annual Credit Plan during the quarter, particularly in the primary and secondary sectors. He congratulated the banks for their commendable performance in achieving 31.73% of their Annual Credit Plan (ACP) for the year, lending `1,66,391 Cr against their target of `5,24,331.93Cr. The achievement of banks in the agriculture sector is 31.14% compared to 25.12% of June 2023, and that for MSME sector is 46.14% as against 54.93% of the same quarter last year. All districts, except Kozhikode, have achieved more than 25% in the priority sector advances portfolio, with Thiruvananthapuram (40%), Kottayam (39.42%) and Ernakulam (39.05%) topping the list. On a bank-wise review, it is observed that the performance of KSCB is only 7.82% in total priority sector, with the low performance reflecting in all three sectors.
- The achievement of banks in the tertiary sector is only 13.92% as against the expected 25%, though they have improved with respect to 6.61% for QE June 2023. Many districts are lagging in their achievement in this sector. The performance of banks in the tertiary sector requires significant improvement, and considerable thought should go behind the measures to be taken for enhancing the credit to this sector.
- The CD ratio of the state, which is at 72.98%, as on June 2024, is showing a declining trend, on Q-o-Q comparison from December 2023 onwards. He urged upon the banks to put in their best step forward, in reversing this trend, at the earliest. The banks headquartered in the state viz. CSB Bank, Federal Bank and South Indian Bank are well below the mandatory mark. The performance of SBI at 56.72% is also not very commendable.

- It is observed that the average ticket size of the KCC loans in Kerala is very high, when compared to other neighboring states. He instructed SLBC to look into the matter.
  - **Recent developments in RBI**
- i. The Reserve Bank of India (RBI) is pleased to announce the launch of the RBI90 Quiz for college students at the undergraduate level. The quiz is a nationwide competition being held as part of the events to commemorate 90 years of RBI's functioning. RBI90 Quiz is general knowledge based and will feature a multi-level competition, commencing with an online phase, followed by state and zonal level rounds and culminating in a national final. The contest would help create greater awareness about the financial eco system among the students. RBI has been encouraging the youth to cultivate responsible financial behavior and develop the habit of safe and secure usage of digital financial products through its public awareness campaigns. The participating teams of this RBI90 Quiz program stand to win attractive prizes at various levels.
  - ii. It has now been decided to include auto-replenishment of FASTag and National Common Mobility Card (NCMC) under the e-mandate framework, as and when the balance falls below a threshold set by the customer. Payments for auto-replenishment will be exempt from the requirement of pre-debit notification since they are recurring in nature but without any fixed periodicity.
  - iii. RBI has issued a Master Direction on Treatment of Willful Defaulters and Large Defaulters. This Master Direction on willful defaulters serves as a comprehensive guideline delineating the regulatory framework and procedures for classification of borrowers as willful defaulters. This directive plays a crucial role in maintaining the integrity of the financial system by outlining the measures and consequences for those borrowers who deliberately default on their financial obligations.
  - iv. The Reserve Bank of India (RBI) has been publishing a composite Reserve Bank of India – Digital Payments Index (RBI-DPI) since January 1, 2021 with March 2018 as

base to capture the extent of digitization of payments across the country. The index for March 2024 stands at 445.50 as against 418.77 for September 2023. The RBI-DPI index has increased across all parameters driven by significant growth in payment performance and payment infrastructure across the country over the period.

v. **Monetary Policy Review August 08, 2024**

Based on an assessment of the macroeconomic situation and its outlook, the MPC decided to keep the policy repo rate unchanged at 6.50 per cent. Consequently, the standing deposit facility (SDF) rate will remain unchanged at 6.25 per cent and the marginal standing facility (MSF) rate and the Bank Rate at 6.75 per cent. The MPC also decided by a majority of 4 out of 6 members to remain focused on withdrawal of accommodation to ensure that inflation progressively aligns with the target, while supporting growth.

vi. The following regulatory and developmental policy measures were announced by RBI in the monetary policy review.

1. **Public Repository of Digital Lending Apps**

Several steps have been taken by the Reserve Bank to ensure the systematic growth of the digital lending ecosystem in India. To further address issues caused by unauthorized digital lending apps (DLAs), the Reserve Bank plans to establish a public repository of DLAs deployed by its regulated entities. Regulated entities (REs) will be responsible for reporting and updating information about their DLAs in this repository. This initiative aims to assist consumers in identifying unauthorized lending apps.

2. **Frequency of Reporting of Credit Information to Credit Information Companies**

The availability of accurate credit information is vital for both lenders and borrowers. At present, lenders are required to report credit information to credit information companies (CICs) on a monthly basis or at such shorter intervals as may be agreed between the lenders and the CICs. It is proposed to increase the frequency of reporting of credit information to a fortnightly basis or at shorter intervals.

Consequently, borrowers will benefit from faster updation of their credit information, especially when they repay their loans. The lenders, on their part, will be able to make better risk assessment of borrowers.

3. Enhancing Transaction Limit for Tax Payments through UPI

The current transaction limit for UPI is ₹1 lakh, except for specific payment categories that have higher transaction limits. A decision has been made to increase the limit for tax payments via UPI from ₹1 lakh to ₹5 lakh per transaction. This change will make it easier for consumers to make tax payments through UPI.

4. Introduction of Delegated Payments through UPI

It is proposed to introduce a facility of "Delegated Payments" in UPI. This would enable an individual (primary user) to allow another individual (secondary user) to make UPI transactions up to a limit from the primary user's bank account without the need for the secondary user to have a separate bank account linked to UPI. This will further deepen the reach and usage of digital payments.

5. Continuous Clearing of Cheques

Currently, the Cheque Truncation System (CTS) operates in a batch processing mode for cheque clearing, taking up to two working days for the clearing cycle. It is proposed to reduce the clearing cycle by introducing continuous clearing with 'on-realisation-settlement' in CTS. This will help the cheques to be cleared within a few hours on the day of presentation. This will speed up cheque payments and benefit both the payer and the payee.

Dr.V.Venu, Chief Secretary is due to retire this month. While acknowledging his services rendered to the SLBC, Regional Director, RBI wished him a prolific second innings.

## **1. Adoption of Minutes of SLRM March 2024 and Special SLBC on Wayanad**

The forum unanimously adopted the minutes of the SLRM Meeting for March 2024, held on 22nd May 2024, which was forwarded to the members, vide SLBC letter no: SLBC/SLRM/Minutes/106/AJS dated 3rd July 2024 and the minutes of Special State Level Bankers' committee Meeting, held on 19th August 2024 circulated vide SLBC letter no SLBC/SPSLBC/Minutes/146/AJS dated 22nd August 2024.

## **2. Review of performance under Primary Sector:**

PRIMARY		
Parameter	2023-24	2024-25
Target for the whole year	159076	150405
Achievement of Q1	39953	46843
% achievement for Q1	25%	31%

Disbursement in 2023-24 : Rs. 39953/- Crs  
Disbursement in 2024-25: Rs. 46843/- Crs.  
Incremental Disbursement: Rs. 6890/- Crs  
% Increase from last Financial year: 17.25%

**District wise achievement:** Alappuzha: 32%, Kollam: 37%, Trivandrum: 35%, Kannur: 29%, Palakkad: 33%, Thrissur: 37%. Malappuram: 35%, Kasargode: 30%, Pathanamthitta: 31%, Kozhikode: 20%, Kottayam: 34%, Idukki: 21%, Wayanad: 29% and Ernakulam: 33%.

Banks with highest outstanding in Agricultural Outstanding as on June 2024:

- Canara Bank
- State Bank Of India
- Kerala Gramin Bank
- Federal Bank
- KSCB

**Share of NPA in Agriculture Advances :** Agriculture NPA is 3.04 % out of total agriculture advances.

## **2.1. Pending Issues in Primary Sector**

### **2.1.1. Doubling of Farmers Income**

Official from Agriculture Department informed the forum that the Department is focusing to increase the farmers income not only concentrating on single crops but by doing an integrated approach. The Department is taking the farm of a whole new strategies for increasing the farm income through integrated farming practices and secondly the state government has Digital solution a digital app called "Kadir" so that all the support service of Agriculture Department will be channelized through this . The formal launching had been done during the last Farmer's day celebration. Two campaigns had been launched is "**Poshaka Samirdhi Campaign**" to increase the local production of fruits and vegetables involving all the families into the good agricultural practices so that the state will have a self sufficiency under fruits and vegetable production and one more campaign called the "**Organic Mission**" had also been launched through which the Department is going to third party certification of farms which will be coordinated through Kerala Agro business Company.

**Shri. S S Nagesh, Chief of Agri, State Planning Board** informed that there are two developments one is he mentioned KABCO, World Bank assisted project is going to come in a large way that is 2500 crore that being invested in the post harvest handling. This will create multiplayer effects for the banking sector in terms of investment credit which will push marketing credit. There are also major development that's going to take place in the next two years till 2027 . Next thing he raised was how the banks are going to handhold the FPOs. When we move on the value chain itself the FPO concept has to play a major role in the state.

DGM, NABARD informed that NABARD have supported around 200 FPOs in the state and even NABARD is also assessing how to aggregate FPO activities.

Convenor informed that a major issues with the FPOs are that most of the FPOs will be active in the initial stages and they become inactive as the time goes on.

**Shri. S S Nagesh, Chief of Agri, State Planning Board** accepted that there is inactivity among the FPOs but still there are some of the excellent FPOs like the Mayil, in Kannur and the Tirunelli. The present need of the hour is the technical hand holding of the FPOs. There should be technical expertise and hand holding from the financial agencies and also a business plan for them. Most of the FPOs in the state work without a business plan.

Principal Secretary, Industries Department, enquired regarding the steps taking by the Department of Agriculture for the handholding of the FPOs.

**Chief of Agriculture, State Planning Board** replied stating that more than the Department where ever the FPOs had succeeded it is with the intervention of the Krishi Vigyan Kendras. KVKs can provide excellent support to the FPOs. The Department is doing through the Krishi Bhavans which are not sufficient. The FPOs which work in the value chain had succeeded more than those which restrict their activities only to production. Once again he stressed on the importance of business plan. Now World Bank project there is a paradigm shift in the way Kerala agricultural would be moving in the next three to four years so this has to be factored in.

**Principal Secretary, Industries Department**, asked if the support from the Department of Agriculture is not sufficient what is the next level of action to be taken in this matter.

**Chief of Agriculture, State Planning Board** informed that there should be technical support from the central Agencies like CPCRI, CTCRI and other agencies.

Convenor suggested for a joint level meeting between the Central Agencies, Nabard then agricultural department and SLBC. The same was supported by Shri. S S Nagesh telling that the ecosystem approach has to be brought into this and Industries has to play major role the under that project. Convenor suggested to have a meeting with all the stake holders during the September first week for discussing the same.

Convenor critically pointed out regarding the reducing number of KCC of all the major banks in the State. Principal Secretary Industries enquired the reason for the reduction in number specifically in the Kerala Gramin Bank. Chairman, KGB replied that already double the limit of the land holding has been financed through KCC. KGB is going for other avenues under Agriculture mainly the produce schemes and investment credit.

**(Action: Banks and Department of Agriculture)**

#### **2.1.2. Credit Delivery Framework for Tenant Farmers (Agenda by Reserve Bank of India)**

The Department of Agriculture informed that it is contemplating a project called Navodhan through which a service level agreement between the cultivating farmer and the Government will be formulated. Under the same all the cultivable fallow lands of the PSUs as well as the Departmental farms will be made cultivable through this agreement.

Regional Director, RBI enquired regarding the draft agreement prepared as part of the SLBC meeting as the same is pending with the Government.

The Department informed that the same will be updated at the earliest.

**(Action: Department of Agriculture)**

### **2.1.3 Extension of Kisan Credit Card (KCC) Scheme for Animal Husbandry Farmers and Fisheries**

The Department of Animal Husbandry informed that they have been continuously organizing camps for disseminating the information regarding the KCC loans for the animal husbandry. From the Department side all efforts are being put in for improving the enrolment under this scheme. They also raised regarding the pending applications which comes around 25%. For the same the LDM, Thiruvananthapuram informed that they are not getting proper response from the banks regarding the status of the same which should be given at the earliest.

Convenor instructed the banks to provide the correct reporting to the LDMs as the same is being verified by the DFS and the Department of Animal Husbandry and Fisheries keenly.

The maximum number of pendency is with Kottayam, Alapalay, Thiruvananthapuram and Pathanamthitta. The LDMs were requested to contact the concerned banks and clear the same at the earliest.

**(Action : All banks and LDMs)**

### **2.1.4 Agenda Suggested by Reserve Bank of India**

#### **2.1.4.1 Enhancing Credit Delivery to Agriculture Logistics and Supply Chain Ecosystem**

The Department of Agriculture informed that under the Kera Project the Credit Delivery to agriculture logistics and supply chain ecosystem will be taken care. KABCO also will be playing an important role under the same. Another program has been initiated in the name of "**Krishi Samrudhi**" where 107 LSGIs have been identified as beacon panchayaths and one panchayath one FPO has been devised.

Convenor informed under the AIF around 15 warehouses has been financed in the State. There are also several proposals of warehouses pending in the banks which should be sanctioned at the earliest and registration of the same should be ensured.

Agarmark representative informed that Agriculture Marketing Infrastructure scheme of Government of India can be utilized for various activities from harvesting to value addition just before the product changing. But unfortunately for the last 3-4 years there are very few proposals under this scheme in our state. Several sensitization programs was also initiated from the Department side also. He requested the support from LDMs, Banks, Department of Agriculture and LSGD. There is a need for the development of the primary market. Not only individuals Government entities can also avail the subsidy. Now AMI scheme is associated with KIIFB also. He also requested the support from the Krishi Bhavans as it plays a vital role in sourcing the proposals. If each Krishi Bhavan sources one proposal it will be useful.

He also raised concerns regarding the sourcing of proposals of SC/ST beneficiaries. No proposals has been sourced under the same and huge amount of fund is lying unutilized. The districts like Wayanad and Idukki is having 33.33% subsidy more than other districts which should also utilized by the DDMs and the LDMs of the respective districts.

DGM, NABARD informed the forum that there is no mechanism to infer how much proposals are in the pipeline with the banks. She also informed that the claim of subsidy to be provided with in a stipulated time frame, which is not followed and it leads to issues.

Shri. Anil, AGMARK informed that nationwide there was 1000 applications which has been rejected due to the issues in time frame and which the GOI was reconsidered leniently.

Convenor informed that Rs. 170 Cr is lying unutilized under AMI scheme under the SC/ST category and there are no takers for the same. He also informed that these three schemes AMI, PMFME and AIF can be converged which will be beneficial for the real beneficiaries.

Shri. S S Nagesh, Chief of Agriculture, State Planning Boards informed that FPOs can also avail the benefits of the same and the NABARD as well as SFAC can join hands for promoting the scheme. As it was discussed earlier there are no good proposals are not coming because the credit opportunities are not identified properly. The PLPs formulated the NABARD is having a lot of information which is not being put into proper use.

DGM, NABARD informed that there is credit guarantee scheme provided for the FPO financing from the side of NABARD subsidiary NABSAMRAKSHAN.

Principal Secretary, Industries Department informed that he has doubt whether the banks as well as the FPOs, there should be an initiation from different stake holders to promote the same.

**(Action: Banks and Dept of Agriculture)**

## **2.1.5 Agenda Suggested by Director Agriculture**

### **2.1.5.1. Credit under Agriculture Infra Structure Fund**

The Convenor informed that the two issues raised in the last SLBC meeting regarding IOB and the Union Bank of India has been solved.

AIF, State PMU, representative informed that presently issue is going on with the Kerala Gramin Bank regarding the sanctioning of AIF proposals in the registered leasehold lands. But the other banking partners are sanctioning the proposals with these.

Chairperson, KGB informed that they are coming out with a new scheme for resolving the issue. The same has to be taken up with the Board for approval also.

Convenor also informed that SBI and Canara Bank recently conducted melas which can be followed by other banks of the state. Sourcing of proposals through melas will improve our credit disbursement as well as the financial literacy.

AIF, State PMU, representative informed that there is an issue prevailing with Kerala bank that the beneficiaries who have availed the loans under AIF has not been credited with interest subvention and the major highlight of the scheme is interest subvention. CGM, Kerala bank informed that since Kerala bank is having the maximum outlay the same is being rechecked and the issue will be cleared at the earliest.

Shri. Shaji George, AIF informed that the scheme is getting support mainly from Canara Bank, SBI, KGB, Kerala Bank etc but other banks have not put up their hand in the same way as the previously spoken banks. He requested the support of the entire banking fraternity in the state for sourcing and disbursing more proposals under AIF.

**(Action: Banks and Dept. Of Agriculture)**

**2.1.5.2 Agenda suggested by Directorate of Agriculture regarding recovery of ineligible beneficiaries under PM-KISAN Scheme**

Agriculture Department informed that as on 29/08/2024:

Total Number of ineligible beneficiaries: 60,089.

Total Amount to be refunded: Rs. 36,40,74,478/-

Total number of ineligible refunded so far: 21,353

Total amount refunded so far: 12,93,76,131.14

**(Action: Directorate of Agriculture)**

### **3. Performance under Secondary Sector**

The percentage achievement is 46%. Target for the year 23-24 was Rs.58344 Crores and the Achievement is Rs.32051 Crores.

#### **Performance under Secondary Sector Disbursement**

SECONDARY		
Parameter	2023-24	2024-25
Target for the whole year	58344	81555
Achievement of Q4	32051	37628
% achievement for Q4	55%	46%

Disbursement in 2023-24 : Rs.32051/- Crs  
Disbursement in 2024-25: Rs. 37628/- Crs.  
Incremental Disbursement: Rs. 5577/- Crs  
% Increase from last Financial year: 17.40%

#### **Share of banks in MSME sector**

Public Sector Banks:36.59%

Private Sector Banks:60.01%

Kerala Gramin Bank:0.79%

Small Finance Bank:0.27%

Cooperatives: 2.34%

Principal Secretary, Industries Department critically commented on the performance of the public sector banks and instructed them to improve their performances under the same.

While coming to the discussion under the performance of the districts under Secondary Sector, NABARD enquired whether the disbursement in Ernakulam is actual disbursement happening in Ernakulam or not. For the same, Principal Secretary, Industries Department informed that Ernakulam is the district with the highest number of MSMEs so the figures are also supporting the same.

## **Share of NPA in MSME Advances**

NPA in MSME is 8.22 % of total MSME advances.

### **3.1 Agenda Suggested by the Director of Industries and Commerce - Review of MSME Schemes part of AtmaNirbharBharath**

#### **3.1.1 Agenda suggested by Director of Industries and Commerce - Review of PMSVANidhi**

Convenor informed that the banks should strive to clear the pendencies at the earliest.

#### **3.1.2 Agenda suggested by Director of Industries and Commerce - Review of PM FME**

PMU, PMFME informed there are 672 applications pending with the banks in the state, of which 71 applications are pending for more than 3 months. She raised 4 major concerns raised by the beneficiaries during the loan process, first and foremost is the non acceptance of KSWIFT acknowledgement certificate especially from KGB. The Chariperson, KGB replied stating that the same may be an isolated issue and KGB has started a cell at their Head Office level for processing of such applications, if any issues are faced by the Departments regarding the branches of KGB they can take up directly to the Head Office and resolution will be made from our side at the earliest.

Principal Secretary, Industries Department enquired the reason for this 71 applications pending for more than 3 months and asked for the bank wise bifurcations of these applications. PMU, PMFME informed that 19 applications with KGB, Kerala Bank: 11, Bank of Baroda: 6, Indian Bank:3, IDBI: 4 these are the major banks where pendency is there.

The second concern was regarding the State Bank of India, though PMFME is provided for credit linked capital subsidy, there is an option for need based working capital loan can be provided for the beneficiary. In SBI branches are not providing the same. When it comes to the State Government Scheme OFOE we have an interest subvention of 6%, for the working capital loan the beneficiary can avail the above mentioned.

DGM, SBI, informed that there is a policy that along with the term loan working capital loans to be provided otherwise the unit probably dies down. There may cases here and there which would be taken up properly.

For the same PMU, PMFME informed that this is the situation with the SBI branches across the states so kindly provide a communication regarding the same at the earliest. Principal Secretary, Industries also instructed SBI to resolve the issue at the earliest.

They also raised an issue regarding the subsidy adjustment by the banks where the interest amount is not adjusted equal to the subsidy received. Convenor informed that for the amount of subsidy received the interest should not be charged and same to be taken care at the branch level.

Executive Director, Canara Bank informed the PMU to write a letter to the controlling offices of all the banks regarding the issue.

Another issue raised was regarding the branches returning the application keeping at their end for 2 months with the reason requirement of additional documents. The same is done to avoid the TAT issue which is not the correct way as the beneficiaries are suffering. Considering the same Principal Secretary Industries and Executive Director, Canara Bank informed this practice followed by the banks are not correct and they should inform regarding an application pertaining to their bank at the earliest to the beneficiary.

Regional Director, RBI also informed that there are cases where the beneficiary will not be submitting the required details to the bank and will complaint to all the forums that he had provided the application to the banks long ago and banks are taking time for sanctioning. There are constrains in the banks side also. Some banks use this as an alibi but practical issues also exists.

DGM, RBI added that a loan application to be sanctioned within 14 working days by a bank and if it is not happening same to be displayed in their website and beneficiary to be informed regarding the reason for not sanctioning the same. RBI is monitoring the same in the empowered Committee Meeting.

### **3.1.3 Agenda suggested by Director of Industries and Commerce – Review of PMEGP**

Director, KVIC informed that the same target for the last FY has been allotted to the State of Kerala. Considering the last three year performance of the State the SC/ST applications are not being generated to the mark. Every SLBC and bankers meeting same is being raised and banks are requested to consider the same at the highest priority.

The margin money target for the FY is 72 Cr and considering the referred back claims itself is 56 Cr which is still pending. Once the issues related to the referred back claims is sorted and reuploaded the state will easily achieve the target.

During the physical verification there are several cases that the board has not been fixed permanently, this issue should be taken care by the bankers.

Convenor informed that at the central level MoU has been signed with the Department of Posts for being the nodal agency for physical verification of the PMEGP loans.

#### **3.1.4. Agenda suggested by NORKA- Review of NDPREM**

The representative from NORKA informed that 1594 applications has been submitted to the different banks of the state from April to August. 1137 applications are pending and the reason for the pending is not informed from these banking institutions to NORKA. Convenor informed the forum to provide the status of the pending applications at the earliest. **(Action: Banks of the States)**

#### **3.1.5 Agenda Suggested by Reserve Bank of India - Bringing Kerala State Government PSU into TrEDS Platform**

DGM, RBI informed that lot of thrust is being given to the MSME this will be the most appropriate time for brining the State Government owned PSU's under TrEDS platform on a mandatory basis.

Principal Secretary, Industries, informed that there are 51 PSU under the Industries Department and another 52 PSU exists in all other Departments. Total PSU comes to 103. Out of which only 14 PSUs have been enrolled into the TrEDS platform. Effective trading is done by only 60-65 PSUs only out of which 14 has come into it. Financial stringencies and other reasons are there which he hoped will be solved at the earliest.

DGM, RBI informed a turnover based approach can be done for which Principal Secretary informed the same will be considered after discussions.

DGM, SBI informed that only investment grade PSUs can be enrolled into the TrEDS platform and suggested if KSEB is enrolled so many MSME will come into the picture.

For the query raised from the Office of the Hon'ble Minister of Industries regarding the provision of additional time to the traditional PSU ie in the coir sector RBI informed that the repayments are to be made on the background of the MSME act.

**(Action: Industries Department and SLBC)**

**Principal Secretary, Industries informed the bankers regarding the Government Cashew OTS scheme which has been devised by the Government of Kerala for upliftment of the stressed cashew unit is not properly taken up by the banks. He instructed the banks to provide maximum sanctions under the same which will be beneficial to the banks as it will reduce the NPA under the cashew sector.**

## 1. Performance under Tertiary Sector

Parameter	TERTIARY	
	2023-24	2024-25
Target for the whole year	52252	22392
Achievement of Q4	3453	3116
% achievement for Q4	7%	14%

### Pending issues under Tertiary Sector

#### 4.1 Agenda Suggested by Reserve Bank of India

##### 4.1.1. PRAGATI Meeting: Review of Social Security Schemes - PMJJBY , PMSBY and APY.

Convenor SLBC, informed the forum that Kasargode district also has been saturate and declaration is scheduled on 11/09/2024. All other districts are requested to complete the saturation at the earliest.

Regarding the performance APY, the total target allotted to the state for the FY 24-25 is 5,01,665 and as on August the achievement is only 20% which is not upto the mar. The highest performance in the state is shown by Kerala Gramin Bank and Federal Bank. Kollam district is the best performer which was appreciated by the forum. **(Action: Member Banks, SLBC, LDMs)**

##### 4.2. Agenda suggested by PFRDA: Banks and LDMs to enhance APY coverage in Kerala

##### 4.3 Review of CD Ratio -Suggested by RBI

The CD ratio of the state is 72.98%. Most of the banks are having CD ratio more than the state average. DGM, RBI instructed the Kerala based banks to improve their CD ratio as they are dragging the CD ratio of the state. Convenor requested the banks to take necessary steps to disperse more credit in our state so that our CD ratio will improve than the expected figures.

**(Action: Banks)**

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

Convenor informed that the long pending claims amounting to Rs. 12.14 Cr has been transferred to the respective RSETIs by the State Government and the same has happened with the support of Shri. Jaffer Malik IAS as well as the RSETI Director.

Sri. Percy Joseph Desmond, Director, RSETI informed that the around Rs. 3 Cr is pending from the Central Government which has been taken up with the MoRD.

#### **4.5 Status of Land allotment for RSETIs buildings**

Sri. Percy Joseph Desmond, Director, RSETI raised his concern regarding the land allotment status of five districts are pending. Unfortunately the Panchayath had raised objection regarding the land allotted to the Palakkad RSETI. Panchayath informed another land will be allotted in Palakkad but it is having several disadvantages.

**( Action : Revenue Department, SDR, Kudumbasree and Banks)**

#### **4.6 Agenda suggested by RBI – Adoption of Fintech**

DGM, RBI urged the banks of the State to digitize maximum priority sector loans and RBI has come out with ULI which will also increase the digitization of the loans.

#### **4.7 Agenda suggested by FIDD, Thiruvananthapuram – Progress under Government sponsored schemes.**

The figures provided along with the agenda shows a clear cut differentiation between the private sector banks and public sector banks. The same to be taken up by the private sector banks with high priority. RBI expects the private sector banks to perform under these schemes at par with the public sector banks.

### **5. FRESH ISSUES**

#### **5.1 Primary Sector**

##### **5.1.1. Agenda suggested by NABARD**

DGM, NABARD informed that the banks of the state had performed very well in the first quarter. In an analysis made by the NABARD in a particular district where the gross cropped area in 1 lakh hectares, the SOF is highest for banana which is 4 lakh/hectre. The maximum number of KCC which can be financed is Rs. 4000 Cr but the KCC financed is Rs. 5300 Cr. She pointed out there may be some mismatch in data which can be due to the misreporting of the banks.

Convenor informed that Gold loan may also be reported under the same.

Shri. S S Nagesh, Chief of Agriculture, State Planning Board pointed out that the investment credit and the GDP growth in agriculture of the state can have a correlation but not the production credit.

**Regional Director, RBI** informed that while taking the case of Tamil Nadu where the cultivable area is more but the average ticket size of KCC loans are less compared to that of Kerala.

Convenor, informed that there are 4-5 banks where they are financing gold loan with out taking into consideration the scale of finance.

**(Action: All the banks)**

#### **5.1.2. Agenda suggested by LDM, Malappuram**

LDM, Malappuram informed that in the district of Malappuram multiple finances to SHGs has been reported. One SHH which is already having a loan in a bank is being financed again by another bank out of that finance the older loan is closed. There are cases where two loans exists in the name of single SHG. This will be affecting the SHG lending practices of the state.

Kudumbashree informed that as per the instructions provided the loans to be provided only on the basis of the CDS otherwise there are chances that the account may turn NPA.

Convenor also requested the banks to come into a consensus in case of SHG lending as same is a good portfolio without much NPA, if banks are over financing them it will affect the entire portfolio.

DGM, RBI informed that if is a general issue happening all the districts the LDMs should provide the report regarding the same.

Convenor also informed that there was a complaint from some the districts that if the groups are not willing to take the insurance "Jeevandeepam" the CDS will not be providing recommendation to the group. For which the Kudumbashree replied stated that there was no instruction provided from their side.

LDM, Thrissur added that banks of the district are complaining regarding the same as if 50% of the members are not opting for the insurance scheme CDS will not be providing the recommendation letter. The issues were raised mainly in Kaipamangalam, SN Puram, Mattathur, Cherp, Anthikad and Kaiparambu. They are telling that the same is an instruction from the District Mission. Kudumbashree officials informed that the same is not a instruction from the Kudumbashree and they will be taking up with the concerned District Mission

**(Action: Kudumbashree Mission)**

### **5.1.3. Agenda suggested by Kudumbashree Mission**

Kudumbashree mission informed that the target allocated to them regarding the bank linkage is 7630 Cr till now we have done around Rs. 1582 Cr which is 20% of the bank linkage. As per the Kudumbashree Mission there are 53000 SHGs which are ready to be credit linked and they have prepared district wise, block wise and panchayath wise list which can be provided to the banks if contacted.

He also informed that there are community based monitoring systems in every CDS. These committees will be meeting monthly and he requested the bank officials to participate in the meeting which will improve the recovery under the SHG portfolio.

LDM, Thrissur informed that in all the BLBC meetings it is informed to the banks that they should attend these monthly meetings.

Kudumbashree is observing this year as the Year of Livelihoods and they have got around 3 Lakh SHGs so the moto of Kudumbashree is one livelihood per one SHG. So a total of 3 lakhs enterprises are expected this year. As of now we have achieved around 70,000 livelihood. Most of these livelihood will be coming in the non farm sector so he requested the banks to concentrate on enterprise financing also. MoRD had instructed all the SLRMs to enter into MoU with the banks of the state for the same. As of now 4 banks have signed the agreement and requested all other banks also to enter into the agreement.

3<sup>rd</sup> point informed was that Kudumbashree is having Community resource persons at all the CDS so they will be imparting training on financial literacy. They have got 2 types of trainings for this FLCRRPS ie the orientation training given by the Kudumbashree Mission and other one is the specific trainings provided by the RSETIs. Kudumbashree official raised a concern that recently the RSETIs are not cooperating for the same. These trainees has to be provided with tool kit also and in the background of the informal communication with the RSETI it was found that due to the shortage of funds the RSETIs are not in a position to provide the tool kit.

Kudumbashree is having a dedicated cadre ie Bhima Mithra for sourcing the PMJJBY and PMSBY applications. He requested banks to provide Rs. 10/application to them for each application sourced.

RBI, DGM informed that we are in discussion with the NABARD for providing financial assistance to the Kudumbashree officials.

RSETI, Director informed that there is a video conference of all the directors the next day to discuss regarding the trainings to be provided to the Kudumbashree FLCRRPs. He informed that on discussions with NAR they informed that since in provision of the tool kits involves cost that should be taken care by the SLRMs.

#### **5.1.4. Agenda suggested by Hon'ble Minister for Agriculture**

Convenor informed that for any type of relief to be provided in relation with the natural calamity the same should be notified by the Government which is mentioned in the Master Directions for Natural Calamities. A meeting was called by the APC, Department of Agriculture for the same and no further communications has received regarding the same.

#### **5.1.5 Agenda Suggested By Reserve Bank of India:**

DGM, RBI informed that banks to go through the documents and add any schemes prevailing with them and SLBC is requested to circulate the same.

### **5.2 Tertiary Sector**

#### **5.2.1 Agenda suggested by Principal Secretary, Finance.**

Through this agenda it was informed that banks should not close the Nodal account opened for receiving the government id in the case of ELRS scheme.

#### **5.2.2 Agenda suggested By Department of Financial Services**

DFS informed that in every SLBC meetings this should be made a permanent agenda and the banks should be reviewed as per the following points:

1. Total number of branches of the banks in the state and number of branches in which search and download functionality is available in the state.
2. Number of branches in which CKYC-id is printed on the passbook and on the statement of the account.
3. Number of branches where the CKYC banner along with CKYCR missed call no:779902129 has been displayed on the notice board.
4. Progress of upload, download and use of CKYCRR for customer on boarding.

#### **5.2.3 Agenda suggested By Additional Commissioner , State Goods and Service Tax Department**

Shri. Shahin Shah KAS informed that in the earlier SLBC meeting we sought nodal officers from each banks for which 19 banks have provided the details and still data is pending. Only 19 banks have responded positively and 14 banks are yet to provide the data. Major banks to respond are SBI, Indus Ind Bank, Bank of India, Union Bank, KGB, Kotak, yes Bank, DBS, Punjab National Bank, IOB, Punjab and Sind Bank, City Union, UCO and HDFC Bank. Convenor instructed these banks to respond to the call made by the State Goods, and Service Tax Department at the earliest.

#### **5.3.4 Agenda suggested by LDM Malappuram.**

Kerala Government had made an amendment in the Revenue recovery act and in the case of banks the Sarfaesi act will hold though State Government had made an amendment.

#### **5.3.5 Agenda suggested by Reserve Bank of India**

DGM, RBI informed that it is fact that Kerala had achieved 100% digitalisation of the eligible accounts but more can be done. There are services which are using other modes of acceptance of transactions, if GOK can contribute to this cause by providing provision to accept cash by digital mode. eg in the case of KSRTC.

Convenor added by saying that now all the accounts are being opned by feeding the mobile number, aadhar as well as debit cards are provided at the initial stages itself which makes the customers digitally enabled as soon as the account is opened.

#### **5.3.6 Agenda suggested by Department of Telecom**

A presentation regarding the Sanchar Saathi portal was given by the Department of Telecom for disseminating the information regarding the same.

#### **5.3.7 Agenda suggested by Deputy Director IT, High Court of Kerala**

Shri, Tanmay addressed the forum and informed that the jurisdiction of this digital court is presently limited to Kollam but the accused may be across Kerala. Idea behind this collaboration is that presently it takes 2-3 years for an accused to appear in court. The court find it difficult to find the present address of the accused. Since the new digital court will be taking care cheque bounce cases the accused will be having a verifiable bank account. The Court is asking a seamless communication channel between the court and the banks. The Court expects the banks to provide a nodal officer who will be responsible for replying to the mails of the Court in relation to the cheque bounce cases which will increase the quicker turn around time and getting the basic KYC information available. The information will be transferred through a designated mail id of the court and it will be secure.

Convenor instructed the banks that it is the responsibility of the banks to support the law and order system of the nation and to provide a nodal officer from each bank who will be responsible for providing the required information sought by the Court with minimum turnaround time.

**Shri. Krishna Kumar J, Assistant General Manager, Canara Bank** proposed the vote of thanks to all participants and the meeting concluded at 2.00 pm.