

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

**Convenor:**



**Ref: SLBC 35 50 2019 MA**

**Date: 21<sup>st</sup> January, 2019**

(All Members of SLBC)

Dear Sir,

**Sub: Minutes of the 126<sup>th</sup> Meeting of SLBC, Kerala**

We are forwarding herewith the minutes of the 126<sup>th</sup> Meeting of SLBC, Kerala held on 18<sup>th</sup> December, 2018 at Hotel Residency Tower, Government Press Road, Trivandrum.

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

Thanking you,

Yours faithfully,



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

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**MINUTES OF THE 126<sup>th</sup> MEETING OF  
STATE LEVEL BANKERS' COMMITTEE, KERALA**

Held on 18.12.2018(Tuesday)  
at Hotel Residency Tower  
Govt. Press Road, Trivandrum

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

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

The worst is over and Kerala is striving to regain normalcy of life and livelihood. Bankers are playing their role well. Banks have got approved the Relief Measures adopted by the Special SLBC of 20<sup>th</sup> August 2018 by their respective Boards and are in the process of completing the relief package. As the process takes its due time lag and as per our special request, the Reserve Bank of India was very kind enough to extend the deadline for completing the relief measures till 31<sup>st</sup> December 2018. RBI permitted the extension of time twice. She called upon all the Bankers to complete the process of extending relief measures – rescheduling / restructuring, giving additional finance etc. to all the eligible flood victims well before this month end. The Resurgent Kerala Loan Scheme (RKLS) has taken off. It is our duty to finance all the eligible applications under the scheme at the earliest. She requested all the fellow bankers to co-ordinate with the Self Help Groups of Kudumbasree to clear all the eligible pending applications on a war footing.

Govt of India has launched the 'MSME Support & Outreach Campaign – MSME 100 Days Campaign' from 2<sup>nd</sup> November 2018 in selected districts of the country. In Kerala, two Districts are identified for implementation of the Programme – Kottayam and Idukki Districts. The programme aims at supporting MSMEs and reaching out to them through credit plus services. LDM of the District is the co-ordinating point for implementation of the Campaign. Regular camps are being conducted wherein various deliverables such as sanction of loans, facilities for opening of accounts, enrolment in Suraksha Schemes etc are provided. "Business Loan in 59 minutes" are popularized during this campaign. She requested all the Banks operating in these two Districts to extend full support to the LDMs for successful completion of the programme.

The vital banking parameters and the achievements of the banking sector as of September 2018.

- Deposits have grown only by 2 % over June quarter, NRI deposits by 3 % and Domestic deposits by 1 %.
- Loan outstanding increased by 5%.
- But Priority sector advances decreased by 5%.
- Agricultural advances increased by 6 %.
- Gold loan outstanding over June 2018 quarter increased by 5 %.
- The performance of Kisan Credit Card Scheme over June 2018 quarter increased by 5%
- MSME advances had a 6 % growth. Education loans had a 1% negative growth and Housing loans had a negative growth of 25%.
- Total Industrial advances are below 1 %.
- The total business of commercial banks increased by 3%.
- The performance over March 2018 we have for Deposits a 5% increase, advance 6% growth, CD ratio 1% growth.
- In YoY growth Deposits made 12 % and advances made 13 % from September 2017 to September 2018 & CD ratio showed an increase from 64 % to 65%.

- In NPA management, the picture is a little disturbing.
- Total NPA is 3.96 % of which 26.47 % are non priority loans and 33.12 % are MSME loans
- In Education loans 19 % is the NPA.
- In Self help group loans- NPA is 2.61% and JLG loans- NPA is 1.68%

### **Achievement under Annual Credit Plan (ACP).**

Percentage achievement under ACP in Priority Sector till September 2018 is 44% of the Annual budget. The performance under primary sector at 51% and the secondary Sector performance at 45% are satisfactory, the tertiary sector shows only 32 % achievement. She requested the bankers to step up lending in all possible segments in this fiscal year. An area where all of us have to concentrate is in increasing investment credit to agriculture. Though bankers have achieved 25% of total advances under Agriculture credit which is 7 % above the mandatory requirement of 18 %, it is mostly through short term credit. The share of term loans is only 1/5th of total agri credit. A healthy proportion of Long term investments are essential for a sustained growth of Agriculture sector. We also observe wide variation in performance among districts. While districts like Kollam @ 56%, Malappuram @ 54%, Kozhikode @ 54%, Palakkad @ 53%, Ernakulam @ 52%, Thrissur @ 45% and Kasaragod @ 45% have achieved above state average of 44%. There are 7 districts which have achievements of below the state average. They are Idukki @ 39%, Trivandrum @ 38%, Kottayam @ 37%, Wayanad @ 34%, Kannur @ 30%, Alappuzha @ 28% and Pathanamthitta @ 24 %. She requested the LDMs to analyse the reasons for the low performance and take necessary corrective measures to reach the targets.

**Sri. M.V Rao, Chairman, SLBC & Executive Director, Canara Bank** in his presidential address extended a hearty welcome to all participants on behalf of SLBC Kerala and stated that banks are in the process of extending the flood Relief measures approved by SLBC. RBI has further extended the time upto December 31,2018.

He called upon all the member banks to complete the process of restructuring/rescheduling of accounts of the calamity affected borrowers within the extended timeframe. It is also equally important to report the data to SLBC promptly in time so that the performance of banks can be appraised at appropriate level viz. RBI & State Government.

Kerala is among the toppers in bank density with one bank branch for every 5470 persons and one ATM for every 3847 persons.

As at September 2018, there are 6285 commercial bank branches and 144 Small Payment bank branches in the State of Kerala. 9097 ATMs have been deployed in the state out of which, 7607 ATMs have Braille keypad.

In terms of business -Commercial banks have a Total business of Rs.7,71,100 Crores in the State. There was an increase of Rs.78,088 Crores over September 2017 and registering a growth rate of 10%.

The Deposits increased by Rs.46,295 Crores to Rs. 4,68,259 Crores and Advances increased by Rs.31,793 Crores to Rs.3,02,841 Crores. NRE deposits witnessed a Y-o-Y growth of 15 %, with an outstanding level of Rs.1,81,461 crores.

- Deposits have registered a growth rate of 11% (Y-o-Y) and the advances have grown by 12% (Y-o-Y).
- The CD ratio of the state has recorded a marginal improvement from 64 % as at September 2017 to 65 % as at September 2018. The CD ratio of three Districts viz. Pathanamthitta , Aleppey and Thrissur are below 60%. The DCC/ DLRC meetings of these districts have to chalk out strategies for improving the CD Ratio.
- 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 52%, 24% and 23% respectively.
- The Priority Sector Advances have grown by 9% to Rs.1,58,585 Crores and Agriculture sector has shown a growth of 15%, reaching an outstanding level of Rs.73559 Crores.

- Advances to MSME sector has shown a substantial growth of 21% (YOY) and achieved an outstanding level of Rs. 49,968 Crore.
- The achievement under Annual Credit Plan (ACP) as at September 2018:
  - Achieved only Primary Sector target. Missed the targets under Secondary, Tertiary sector and Total Priority Sector. He urged all the banks for better performance under ACP so that the set targets are achieved in the ensuing quarters.
  - All the banks together have disbursed Rs.1706 Crores under MUDRA loans during the quarter and the outstanding under Mudra loans has crossed Rs.6914 crores. The Ministry of MSME has also announced 2nd stage Financial Assistance to successful PMEGP and MUDRA beneficiaries.
  - Under Social Security Schemes all the banks together have mobilised over 35.92 lakh enrolments under the three Social Security Schemes (PMJJBY, PMSBY & APY).

Agriculture continues to be the mainstay of the economy and the sector is aiming for doubling of farmers' income by 2022. There is an urgent need to focus on the strategies adopted for augmenting the Investment credit to ensure sustainable development of Agriculture in the state.

Agro Processing and Agri Value Chains have been identified as potential area for lending. Promoting Farmers Producers Organisation (FPOs) may be given focus.

The Govt. of India (GoI) has allocated Rs 500 crore for the 'Operation Greens' to promote Agri-logistics, processing facilities and professional management. Further, to encourage FPOs in post-harvest activities of agriculture, GoI will allow 100% tax deduction to FPOs having annual turnover of Rs 100 crore in respect of their profit derived from such activities for a period of five years from 2018-19 fiscal. This measure will encourage 'Operation Greens' mission and it will give a boost to Sampada Yojana.

He requested bankers to explore newer areas of lending, look for opportunities for credit expansion and extend finance to all feasible bankable ventures that are coming up in the state especially the Infrastructure Projects coming up in Kerala.

With the inauguration of the IVth International Airport in the State i.e., Kannur International Airport, the State expects further boost in Tourism and Exports.

SLBC Kerala has always been in the forefront in implementation of all Government directives on Financial Inclusion.

With regard to opening of banking outlets in unbanked villages with population above 5000 which are identified by SLBC, he requested the member banks to provide CBS enabled banking facility at the earliest which will enable the State to have further inroads in financial inclusion and will improve the living conditions of the people of the unbanked villages. This will further ensure 100% coverage of villages in compliance with RBI direction. All the Business Correspondents deployed are to be kept active. Inactive BCs are to be replaced wherever necessary.

He requested the support of all the stake holders for successful implementation of the Comprehensive Financial Inclusion Mission and the digital pipeline in the frame of JAM Trinity (Jan Dhan, Aadhaar and Mobile).

'Pradhan Mantri Jan Dhan Yojana' with the change in Focus of accounts from every house hold to every adult.

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

1. Rescheduling/restructuring of Loan accounts of Flood affected borrowers within 31st December 2018 and extending other relief measures.
2. Partnering with the State Government in rebuilding Kerala.
3. Successful implementation of comprehensive Financial inclusion Mission-Opening of Bank accounts of all adults in the family and Coverage under Social Security Schemes

4. Opening of banking outlets in the remaining unbanked villages within 5 km radius and Activation of all BC outlets.
5. Issuance and Activation of Rupay cards in all eligible accounts.
6. Promotion of Financial Literacy and Digital Banking.
7. Banks to focus on achieving the set targets under Annual Credit Plan for the year 2018-19 with focus on investment credit in Agriculture.
8. Promotion of MSME support and Outreach programme in identified districts.

**Sri. Tom Jose IAS, Chief Secretary, Government of Kerala** informed that according to the UN and World Bank estimate, about 31000 crores is required to rebuild the state of Kerala. Apart from international agencies & World bank assistance, internal resources have to be generated without which the task of rebuilding state of Kerala is impossible.

Rebuilding is a difficult and long process as it takes around 3 to 5 years. Roads and bridges were washed away. Buildings were damaged. It will take more time for repairing. Government of Kerala has given assistance to all the people who were affected by the floods.

About 13000 houses have been completely destroyed, partially damaged houses have to be repaired. Therefore Govt has taken housing with top most priority.

Lots of people have lost their livelihood like the people who ran MSME's lost their inventories. Recovering all these and investing more is a herculean task. People who have been affected in the tragedy are looking forward with high expectations in receiving some amount of assistance from bankers so that they can move forward. This is where the role of SLBC becomes important. Being the most powerful body of bankers operating in the state, SLBC has a cardinal role to play. The forum can direct and provide guidelines considering the gravity of the situation. The GO was issued recently detailing out the assistance that would be given by the Govt and the burden that would be taken by the government in monetary terms, if the banks come forward to offer assistance to people who have been affected.

To rebuild Kerala, our objectives have to be benchmarked high and that is exactly what the Govt intends to do. Quality levels have to be enhanced for their purpose and in order to achieve the goal; SLBC should help the Govt and the people of Kerala.

People who have been affected in the tragedy are looking forward with high expectations in receiving some amount of assistance from the bankers so that they can take lives to the next levels.

**Sri. PH Kurian IAS, Additional Chief Secretary, Revenue Department, Govt of Kerala** stated in his speech that livelihood is a serious public issue. RKLS scheme was launched to provide interest-free bank loans to refurbish flood-hit houses in order to make them habitable. It is estimated to cover 100000 people with an average loan size of 75000Rs. Nine percent interest subvention will be given from CMDRF which is envisaged to be about 450 crores.

Insurance coverage was very poor in the state, even the agricultural insurance PMFBY coverage was low. Bankers have to ensure that when they lend loans insurance is mandatorily taken. At the time of distress, even the working capital loan was not insured. Government of Kerala has requested the IRDA to take steps in Kerala to increase the insurance penetration. The average deposit size of a person in Kerala is around 2 lakh rupees, but the people are hesitant to take an insurance cover which costs them only Rs 1000.

In the recently held standing committee on finance at Ernakulam, emphasis was on increasing the insurance coverage and has raised concern over the delay in claim settlement.

With the aim of bringing back the livelihood to the affected people, the government has introduced the Ujjeevana Loan Scheme, for which basic condition for eligibility is that the person should have got a relief from CMDRF. The concerned department will give the list of beneficiaries containing the name of the person, his address, Aadhaar number, his bank account details etc. The list will be given to the LDM which could be mailed to every bank branch, so the branch only need to confirm whether the person is included in the list or not. The claim will be settled from the CMDRF for the margin money for business upto 2 lakh or 25 percent whichever is lower. This is a new scheme to help the natural calamity affected people to improve their livelihoods. Around 20,000 people have been surveyed, the survey results will be given to the LDMs district wise who can mail it to the bank branches. Only those who are covered under the survey will be eligible to get the support from the government. The people who are engaged in apiculture, poultry, diary all are included in this scheme. Inland fisheries is not included as they have received sufficient coverage. If banks feel that any other sector needs to be included, they can inform the government for its inclusion.

SLBC has to monitor the progress of the scheme on monthly basis. Government envisages that around 50,000 people would receive help from this scheme and also it will set a tone for other states in the country to follow this scheme. Around 250 crores of rupees is required from CMDRF.

He congratulated all the bankers for giving their one day's salary to the CMDRF. Together with one month salary of state government employees it will total up to Rs 3500crores to the CMDRF.

**Sri. S M N Swamy, Regional Director, Reserve Bank of India** in his address stated that Lead Bank Scheme introduced by the Reserve Bank of India in 1969, aims at coordinating the activities of banks and other developmental agencies through various forums like SLBC, DCC, DLRC and BLBC in order to achieve the objective of enhancing the flow of bank finance to the priority sector and other sectors and to promote banks' role in the overall development of the rural sector. The State Level Bankers' Committee (SLBC) constituted in April 1977, acts as an apex inter-institutional forum to create adequate coordination machinery in all States, on a uniform basis for development of the State and the SLBC forum has proved itself to be an effective forum for the convergence of efforts of all the stakeholders to ensure the holistic development of the State.

At present, banks are in the process of extending relief measures to the people in the State affected by the devastating floods, through restructuring/ rescheduling existing loan accounts, granting fresh finance, moratorium etc. on case to case basis. The process for completing the restructuring/ rescheduling of accounts of the calamity affected borrowers has been extended till December 31, 2018. Banks may expedite and complete the process within the above stipulated time. I commend the the Sub-Committee of SLBC which has been proactive in reviewing relief measures implemented by banks, through regular meetings.

On the macroeconomic front, based on an assessment of the current and evolving macroeconomic situation, Monetary Policy Committee (MPC) in December 2018 decided to keep the policy repo rate under the Liquidity Adjustment Facility (LAF) unchanged at 6.5 per cent. Consequently, the reverse repo rate under the LAF remains at 6.25 per cent, and the Marginal Standing Facility (MSF) rate and the Bank Rate at 6.75 per cent.

In the payment and settlement sector, the major development in the quarter was the implementation of positive confirmation to the remitter initiating RTGS transaction, which is available in NEFT. Reserve Bank of India (vide its circular dated November 15, 2018) has advised banks to put in place systems to ensure straight-through-processing (STP) based confirmation processing. The beneficiary bank shall ensure that such confirmation message is sent as soon as the amount is credited to the beneficiary account in CBS while the confirmation message from the remitting bank shall be necessarily sent on a real time basis and in any case not beyond one hour after receipt of credit message from the beneficiary bank. The system of sending positive confirmation to the customers should be operationalized by banks at the earliest but not later than two months from the date of this circular.

Further, with the digital mode for financial transactions gaining traction in the country, there is an emerging need for a dedicated, cost-free and expeditious grievance redressal mechanism for strengthening consumer confidence in this channel. Taking this into account, Reserve Bank of India has decided to implement an 'Ombudsman Scheme for Digital Transactions' covering services provided by entities falling under Reserve Bank's regulatory jurisdiction, which would be notified by January 2019.

Micro, Small and Medium Enterprises (MSMEs) contribute significantly to employment, entrepreneurship and growth in the economy, though they remain by their predominantly informal nature, vulnerable to structural and cyclical shocks, at times with persistent effects. It is important to understand the economic forces and transaction costs affecting the performance of the MSMEs, while often the rehabilitation approach to the MSMEs stress has focused on deploying favourable credit terms and regulatory forbearances. To this end, an Expert Committee is to be constituted by the Reserve Bank of India to identify causes and propose long-term solutions for the economic and financial sustainability of the MSME sector.

Before concluding, He urged to stress the objective of Reserve Bank of India, in introducing Basic Savings Bank Deposit (BSBD) Account and BSBD Small account, in enabling citizens to open zero balance account and furthering financial inclusion. Banks may not deter customers from availing such benefits by insisting on minimum balance for BSBD account opening and KYC documents for BSBD Small accounts .

Banks play a major role in the development of the nation and furthering financial inclusion and literacy, an objective of Reserve Bank of India. With the coming developments in the banking front, banks are increasingly subject to scrutiny of the public and the regulator. The banking system is never immune to the general sentiments of the public and as custodians of public money, banks need to act with understanding and empathy.

**Sri Ashok Kumar Singh IAS, Director (FI) Department of Financial services** commenced his speech by congratulating the Government of Kerala and the banks for the initiatives taken to mitigate the distress which has come because of the floods in Kerala. Ujjeevana is a new scheme for rehabilitation of the affected people and hope that all banks will extend full support to the scheme.

Coming to making credit available to the poor people, Jan Dhan Yojana which was supposed to come to an end on 28<sup>th</sup> Aug 2018 has been now extended perpetually with some modifications. One important change is enhancing the overdraft limit to Rs 10000 from Rs 5000. He requested SLBC to examine whether the overdraft facility can be extended to other account holders who do not have PMJDY account but have a regular bank account.

Coming to Business Correspondents, Banks are reducing the commission of BCs , therefore the viability and sustainability of them is at stake. A minimum commission rate should be kept by each bank for the proper functioning of BCs.

Coming to the digital Payment, Kerala is the first state in the country to come up with a circular which equates the digital payments with the cash payments. He congratulated the Kerala govt in this regard as Government of India has done it only for the debit card but Government of Kerala has done it for both debit card as well as for the credit card.

He reiterated the support of GOI to GoK as he concluded.

**Sri. R Srinivasan, Chief General Manager, NABARD** in his address congratulated all banks for achieving the targets for the quarter ended September 2018. As regards short term crop loans, he said that Banks should concentrate more on lending to actual cultivators through KCC than depend upon agriculture jewel loans. He also welcomed the proposed Ujjivana Scheme by Govt of Kerala wherein, additional subvention of 4% over and above the GoIs Interest Subvention scheme, which will make crop loans interest free for cultivators who are prompt in repayment. He requested banks to concentrate more on agriculture term lending to augment private sector capital formation in agriculture.

NABARD has facilitated formation of 105 FPOs under Produce Fund and another score of FPOs under other promotional funds. Many of them have been performing well and has reached the stage of availing loans for fixed as well as working capital from banks.

He touched upon the resilient SHG movement of the State and advised the banks to help the SHG members to take up income generating activities and graduate as micro-enterprises. He mentioned about the E-Shakti Scheme for digitization of SHG data which is under implementation in five districts of Kerala. He urged the bankers to log in to E-Shakti portal which facilitates scrutiny of functioning of SHG prior to sanction of credit. He also mentioned that the programme will be rolled out in other four districts shortly.

To facilitate excellent performance in SHG-Bank Linkage Programme, NABARD has instituted SHG Excellence Awards. The award ceremony for the year 2017-18 will be held during January 2019. He requested the bankers to furnish information on SHG lending through their bank branches to enable NABARD to finalise the awardees. He also informed the forum that, NABARD is organising an all India Exhibition showcasing the products of artisans and SHG members during February 2019.

**Sri Devendra Kumar Singh IAS, Prinicipal Secretary, Agriculture & Agricultural Production**

**Commissioner, Govt of Kerala** informed that during the distress, the PMFBY coverage under the scheme was inadequate in the state. PMFBY scheme for Rabi crops have been notified and all the farmers who are taking loans upto 15<sup>th</sup> January, 2019 would be covered under this scheme and also for the non loanee farmers. It is not mandatory that a crop loan should be taken. Insurance can be taken either through a bank or through Akshaya kendras. Insurance coverage is available to the Paddy , Banana and Tapioca crops of Kuttanad belt for all the three seasons. Lack of data on yield prevents adding of more crops under the scheme. Yield of last 5 to 6 years is required to get notified under this scheme. Most of the crops, fruits and vegetables would be now covered under weather based crop insurance scheme. Coverage of items vary from district to district and insurance premium also varies from district to district. The details which are available on the website of department of agriculture and also on the website of PMFBY.

In Palakkad, Wayanad and Idukki districts, paddy has been covered under weather based crop insurance scheme. Similarly banana has been covered under this scheme in all panchayats where weather based station is available. Pepper, ginger, turmeric, cardamom, pineapple sugarcane, cashew, mango and vegetables in Idukki are covered. Premium for paddy crop has been capped at 1.5 percent for the farmers. Balance premium amount will be shared by the GoI and GoK in equal proportion. Insurance period varies from crop to crop, but in most of the cases it will cover from January to September 2019. Last time certain risks were not covered, now it has been covered like inundation, landslides, heavy wind cover for bananas and also the excess rainfall cover. So that benefit will be flowing to the farmers in large extend.

He requested bankers to take earnest efforts to enroll the farmers under this scheme by setting targets for each bank depending on the number of branches so that maximum coverage can be achieved. Informations and brochures on this scheme should be kept at each branch and ATMs so that people will get to know about this scheme. He also requested AIC to get in touch with all the banks in this regard.

**Dr. K Ellangovan IAS, Principal Secretary, Industries Department, Govt of Kerala**

stated that SLBC has been doing well in the periodic updation of issues in cashew sector. People engaged in cashew industry are facing difficulties in getting finance from banks. A committee has been formed to look into this. Banks should do some sort of assessment as to find out who all are the genuine borrowers so that they can be assisted.

Coming to NORKA department, NDPREM is a scheme for returnee migrants because when they come back , there are no opportunities for them. On the other hand they have got skills which they have acquired aboard. So this scheme was formulated for the rehabilitation of the returnee migrants. Now the scheme has been liberalized, there used to be a cap of 20 lakh for the entire scheme, where 15 % which amounts to 3 lakh rupees



will be given as subsidy which is paid upfront to the banks. Under the liberalized scheme, upper cap of 20 lakh rupees is removed keeping the subsidy constant at 15 percent (max 3 lakh rupees) so that people can have better schemes.

Out of the 5000 loan applications received under NDPREM, only 353 applications are sanctioned till October which is very low. So he appealed to the banking fraternity to give importance to the returnee migrants. This sector of people have serviced the state economy much more than the people living here. They have been sending money in the past and now they are in need of monetary support from the state and the banks. Employment opportunities abroad are shrinking. In the coming years, when electrical energy replaces the fossil energy, the countries in the Middle East will get a huge hit. Hence the employment opportunities will be very few and those who are already working there will have to come back.

The time has come for the banking fraternity to enlarge their role. They have to align with the happenings around. Bankers are giving loans only to bankable projects. The aim should be to make a non bankable project into a bankable project. Asymmetry between bankers and entrepreneurs are resulting in many projects getting rejected. Forum like SLBC has to seriously debate and research on this point.

In industries sector, many schemes are available and once the loans are disbursed, the banks tend to lose touch with the customer until there is a default in the payment. The term 'Customer Engagement' means to engage a customer even after the loan is disbursed so that even the minor aberration from what the project is intended can be corrected in the mid course. Presently banks are waiting till the loans become NPA and as a result the whole project scheme gets a negative colour.

**Sri Sanjeev Kaushik IAS Principal Secretary Finance Resources, Govt of Kerala** pointed out that Banks face the dual challenge of arresting the NPAs and at the same time to enhance their business.

- Coming to the ELRS scheme, the department is trying to reduce the pendencies by actively engaging on it. 19 percent NPA in the educational Loan sector is a matter of serious concern.
- While contributing to CMDRF, banks around the country have shown great support
- NABARD has enhanced the state support and also government is planning to borrow from NIDA.
- In HBA advances, around 750 crores of HBA has securitized. PNB and Federal bank helped in this regard.
- Coming to KIIFB [Kerala Infrastructure Investment Fund Board], a number of banks have approached for availing long term loans. About 5 PSBs have already signed the principal agreement with the Govt and have sanctioned around 2500 crore rupees as long term loans for 10 to 12 years. But KIIFB has a large requirement for infrastructure funding.

Coming to Kerala financial corporation, banks have extended line of credit to the corporation at good rates. KFC is trying to bring down the cost of funds and has recently announced a major reduction in base lending rate.

MSME sector, apart from crisis due to floods, MSME sector is one that requires low cost funds to be channeled into the sector. KFC has to play an important role in this.

The forum then proceeded with the agenda.

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## 1. ADOPTION OF MINUTES

*The forum unanimously adopted the minutes of the 125th Meeting of SLBC, Kerala held on 28th September, 2018 which was forwarded to the members, vide Convener's letter SLBC 35 156 2018 SK dated 13th November, 2018.*

## 2. PENDING ISSUES

### 2.1 Pending Issues in Primary Sector

#### 2.1.1 Doubling Farmers' Income by year 2022 (Suggested by Reserve Bank of India)

*The forum decided to pursue the agenda*

*(Action: SLBC)*

#### 2.1.2. Suggestions of National level Monitoring Committee (NLMC) on Pradhan Mantri Fasal Bima Yojana (PMFBY) (Suggested by NABARD)

*Smt G.K Maya SLBC Convenor & GM Canara Bank informed the forum that SLBC has suggested an action plan to increase the coverage of crop insurance in the state and also has suggested certain technical issues on crop insurance while defining the coverage terms. State Govt may notify Crop Insurance in time so that the banks will get more space to cover the accounts*

*SLBC jointly with AIC propose to hold a meeting of Banks for the subject matter.*

*First Meeting of SLTC scheduled on 21st Dec 2018*

*The forum decided to pursue the agenda.*

*(Action: SLBC, AIC )*

#### 2.1.3 Credit Delivery Framework for Tenant Farmers (Agenda by Reserve Bank of India)

*Smt G.K Maya SLBC Convenor & GM Canara Bank stated that in the 125<sup>th</sup> SLBC meeting , the Additional Chief Secretary) Revenue)informed that tenancy in any form is banned under Land reforms act. Instead of tenancy licensed farming is suggested. The bill is ready for enactment.*

*When the bill becomes an act, the issues will be resolved.*

*The forum decided to pursue the agenda.*

*(Action: Revenue Department)*

### 2.2. Pending Issues in Secondary Sector

### **2.2.1. Committees for Stressed Micro, Small and Medium Enterprises (Suggested by RBI)**

*Sri. SMN Swamy Regional Director, RBI stated that banks which have not formed may form immediately and update to SLBC.*

*The forum decided to pursue the agenda.*

**(Action: Banks)**

### **2.3. PENDING ISSUES IN TERTIARY SECTOR**

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

*Smt G.K Maya SLBC Convenor & GM Canara Bank informed the forum that this is a long pending issue from Jul 2012. Some banks have updated with the latest positions. But there is no updation from the LRC department.*

*The forum decided to form a subcommittee with the concerned departments and RSETI banks to move ahead with the issue.*

**(Action: SLBC, Banks, Concerned Govt Departments )**

#### **2.3.2 Noting of Equitable Mortgage created in favour of the banks in Revenue Records**

*(Pending since March 2014)*

*Smt G.K Maya SLBC Convenor & GM Canara Bank informed the forum that In SLRM 2018 , Govt had informed that digitization of revenue records will take time for completion . Therefore as an alternative, Govt has suggested to facilitate an entry in the Sub Registry records. SLBC has made its specific recommendations in this regard*

*Steering committee decided to write a letter to the Government Dept to know the progress on the matter*

*SLBC has written follow up letter on 14th Dec 2018.*

*Sri Ashok Kumar Singh IAS, Director DFS stated that since it a long pending issue, the positive happenings in similar issue in other states like Maharastra has to be taken into account and the Government Orders issued in this regard have to be considered and then discuss with the concerned departments.*

**(Action: Revenue Department)**

#### **2.3.3 Loan Waiver Scheme of Scheduled Tribes Development Department**

*Smt G.K Maya SLBC Convenor & GM Canara Bank informed the forum that In the steering committee to 126<sup>th</sup> SLBC, the department informed that scheme is open for resubmission and requested all the banks to forward the pending proposal at the earliest. Dept also informed that no fresh applications are received.*

*Scheme is open for submission of missing and additional claims. Banks may utilise this opportunity .*

*The forum decided to pursue the agenda.*

**(Action: Banks)**

### **2.3.4 Education Loan Repayment Support Scheme**

*Update as on Nov 3th 2018(Amt in crores)*

<b>Amount processed by branch</b>	<b>Amount forwarded by Nodal Officer</b>	<b>Amount forwarded by SLBC</b>	<b>Amount Approved by Finance</b>
<b>303</b>	<b>211</b>	<b>157</b>	<b>148</b>

*Smt G.K Maya SLBC Convenor & GM Canara Bank informed the forum that the steering committee to 126<sup>th</sup> SLBC recommended a cost sharing formula for the expenses incurred by SLBC for the related works based on the funds received from the Govt*

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

### **2.3.5 Revamp of Lead Bank Scheme (Agenda by RBI)**

*Smt G.K Maya SLBC Convenor & GM Canara Bank informed the forum that In 125th SLBC AGM RBI informed that uploading data by the controlling offices of banks and allowing LDMs to download the data district wise and blockwise is to be done by aligning it with CBS SLBC have enabled portal for Data uploading and have imparted trainings for all the concerned officials.*

*Almost 50% of the data have been updated through the portal by the Banks for this quarter. But another 50 % is left out. Out of 46 banks only 20 banks have updated in the portal. She requested the other banks to do the same.*

**(Action : SLBC, Banks)**

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

*Representative from Kudumbhasree informed the forum that the matter was taken up with MoRD and is waiting for reply from them. It is expected that before the end of this financial year it will be sorted out.*

**(Action: Kudumbashree)**

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

*Sri Ashok Kumar Singh IAS, Director DFS stated that banking companies are given the board privilege of authentication and other companies in the private sector are given only the offline authentication privilege.*

*Smt G.K Maya SLBC Convenor & GM Canara Bank stated that Aadhaar & Mobile seeding authentication is an on going process. Now Aadhaar authentication of Bank accounts is not mandatory by law.*

*As no fresh issues exist, the forum decided to drop this agenda.*

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

*Smt G.K Maya SLBC Convenor & GM Canara Bank informed the forum that Steering committee has recommend to report the latest bankwise, districtwise data of FLCs to SLBC promptly on a quarterly basis so that this agenda item may be dropped.*

*Banks may update the data on DBIE (Data Base on Indian Economy) maintained by RBI also.*

*(Action: SLBC/ Banks)*

### **2.3.9. Progress made in Digitization of Land Records**

*Smt G.K Maya SLBC Convenor & GM Canara Bank informed the forum that Digitisation is progressing in the state.*

*The forum decided to pursue the agenda*

*(Action: Revenue Department)*

### **2.3.10. Delay in Appointment of Financial Literacy Counsellors**

*Smt G.K Maya SLBC Convenor & GM Canara Bank informed the forum that banks which have not appointed may do so immediately. Banks may inform the latest position to SLBC.*

*The forum decided to pursue the agenda*

*(Action: Banks)*

### **2.3.11. Second phase Roadmap for opening CBS Enabled banking outlets in villages with population more than 5000 without a bank branch of scheduled commercial bank**

*(Suggested by SLBC Convenor)*

*Smt G.K Maya SLBC Convenor & GM Canara Bank informed the forum that in total we have received suggestions on 51 locations. It is in the process of examination. 12 locations have been found inside Municipal limits . We are examining it based on the newly updated Jan dharshak portal, Wherever needed services of BCs can also be provided.*

*Sri. Ashok Kumar Singh IAS, Director DFS stated that RBI has come up with a new scheme on unbanked rural centres. He requested to align with it.*

*The forum decided to pursue the agenda.*

*(Action: SLBC)*

### **2.3.12. Standard Operating Procedures (SOPs) for preventing Cybercrime**

*(Agenda suggested by Reserve Bank of India)*

*Smt G.K Maya SLBC Convenor & GM Canara Bank informed the forum that a customer friendly layout is circulated and updated in SLBC website .Banks may give a feedback on the same.*

*We may drop the agenda with a request to publicize the SOP which is uploaded in the SLBC website.*

### **2.3.13. Infrastructure facilities to the Financial Literacy Counsellors**

*(Agenda suggested by Reserve Bank of India)*

*Sri. R Srinivasan CGM, NABARD informed the forum that wherever FLCs conduct ditigal camps, they are eligible for reimbursement of Rs 5000. They can apply to NABARD to get the approval.*

*The forum requested the banks to update to SLBC in this regard.*

*(Action: Banks)*

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

*(Agenda suggested by Reserve Bank of India)*

*Smt G.K Maya SLBC Convenor & GM Canara Bank informed the forum that the data portal is active and further data updations are requested to be fed through the website portal. Trainings already imparted to Banks and LDMs. We have achieved 50% of the data updations through the portal for this quarter. We are expecting complete portal updations in the upcoming quarters.*

*Sri. R Srinivasan CGM, NABARD stated that for the purpose of having reliable and accurate data we have to fix a timeline and all banks have to fall in line with them. Atleast by March 31<sup>st</sup> 2019, it should be stabilised.*

*Sri. Ashok Kumar Singh IAS, Director(FI), DFS stated that accuracy of data is very important so do not accept any data which is inaccurate.*

*(Action: Banks/SLBC )*

### **2.3.15. Functioning of Business Correspondents** (Suggested by Reserve Bank of India)

*Smt G.K Maya SLBC Convenor & GM Canara Bank informed the forum that banks may give updated information on inactive BCs( if any) to SLBC.*

*The forum decided to pursue the agenda.*

**(Action: Banks/SLBC )**

**2.3.16. Issues in network connectivity in remote areas** (Suggested by Reserve Bank of India)

*Smt G.K Maya SLBC Convenor & GM Canara Bank informed the forum that if there is any issues regarding connectivity may be reported directly to DoT TERM cell with a copy to SLBC. So far no cases are referred to us after the 125 SLBC.*

*Sri. Sooraj S, AGM, RBI requested the LDMs to provide the list of areas which lack network connectivity to SLBC at the earliest since the functioning of BCs is highly dependent on network connectivity.*

*Smt Satya Priyadarshini, Deputy Director General, Department of Telcom, GOI informed the forum that Indian bank has given a list of 11 areas where network connectivity issue was prevalent. This issue was sorted out by the telcom department by taking up with the telcom companies. So any other banks having issues can approach the telcom department.*

*Recently department of posts has come out with lot of locations where their branch offices in rural areas are facing connectivity issues. All those issues have been sorted out with their network agencies. So the banks can also utilize them. Landscape of Kerala is quite difficult for network connectivity because of the existence of lot of mountains , thick trees etc. so the specific issues are informed to the telecom department, then it will be taken up with telcom service providers to put some boosters or some small towers at these places so that coverage is properly coming.*

*She added that Universal service Obligation (USO) funds are also there for utilisation in this regard.*

*Sri. R Srinivasan CGM, NABARD stated that in Financial inclusion fund (FIF) NABARD is extending support upto 4 lakhs for setting up of VSATs in dark areas and in grey areas , for setting up of mobile boosters upto Rs 5000 is given from FIF.*

*Sri. Anil D, palakkad LDM stated that in Agaly region network connectivity issues exists. Mobile connectivity as well as the broadband connectivity issues are there.*

*The forum decided to pursue the agenda.*

**(Action: Banks)**

**2.3.17. Issues in Remitting RR recoveries by Village Officers**

*Smt G.K Maya SLBC Convenor & GM Canara Bank informed the forum that based on the discussions in 125th SLBC , the Additional Chief Secretary (Revenue)informed that after collection of dues immediately bankers have to withdraw the RR. The requisition can be withdrawn at anytime.*

*The committee may note the same and may drop the agenda.*

### **3. FRESH ISSUES**

#### **3.1 Primary Sector**

##### **3.1.1. Minutes of SLBC Sub Committee on Natural Calamity Relief Measures dated 15<sup>th</sup> October 2018 (Information Note by SLBC Convenor)**

*The forum approved the minutes*

##### **3.1.2. Minutes of SLBC Sub Committee on Natural Calamity Relief Measures dated 15<sup>th</sup> November 2018 (Information Note by SLBC Convenor)**

*The forum approved the minutes*

##### **3.1.3 Financing to Farmer Producer Company(FPC) (Agenda suggested by Canara Bank)**

*Smt G.K Maya SLBC Convenor & GM Canara Bank stated that the forum that banks may promote FPC s and extend their support under their existing schemes.*

*Sri. R Srinivasan CGM, NABARD stated that FPC in Kerala, NABARD has a scheme for rating of FPCs. The FPCs with rating A& B are eligible for bank finance. District wise data in this regard is with NABARD which can be shared with bank branches through SLBC. A portal is also there is to capture and update the data.*

*Forum noted the information*

**(Action: Banks)**

##### **3.1.4 Agenda suggested by Directorate of Fisheries**

#### **A. BANK LOAN FOR SAF**

*Representative from the fisheries department stated that SAF (Society for Assistance to Fisherwomen) is an agency under Department of Fisheries. SAF is implementing 'Theeramythri Project' for Fisherwomen using state plan fund since 2010. SAF is giving Assistance to (2-4 nos.) Fisherwomen activity groups for starting microenterprises. The average project cost is below Rs.4 lakh only. The highlight of the programme is that they are giving 80% of the project cost as grant (Maximum 3 lakhs) 15% Bank loan and 5% beneficiary contribution.*

*The forum requested the fisheries department to give the comprehensive description of the scheme so that it may be circulated to all the banks and Banks can extend credit support under their existing scheme.*

**(Action: Banks)**

#### **B. Matsya Credit Card**



*Smt G.K Maya SLBC Convenor & GM Canara Bank stated that banks may extend necessary credit supports within their existing schemes. As the Dept is aware and as already discussed in SLB , Banks are not able to extend loans at 4 % without getting an interest subvention*

*Therefore Dept may formulate an interest subvention linked scheme for this purpose*

**(Action: Fisheries Department)**

### **3.1.5. Agenda suggested by Coir Board**

**A. Representative from coir board** informed the forum that in the recently held meeting with Allepey LDM, bank managers and coir board has decided to conduct a one time settlement process on the second week of January, 2019 and maximum settlement is expected

**B. Representative from coir board** informed the forum that state govt is planning to set up 500 defibering units in the state because the raw materials required for manufacturing coir fiber in Kerala is dependent on Tamilnadu based units. For private individuals, the government will provide 50 percent subsidy for installing the machinery.

*The forum requested the banks to extend necessary credit supports within their existing schemes*

**(Action: Banks)**

### **3.1.6 Agenda suggested by Directorate of Agricultural Department and Farmers Welfare**

**Representative from Agricultural Department** informed the forum that in the recently held meeting of Bankers and Agriculture departments, honorable Agricultural Minister has raised some issues with regard to the agricultural loans and interest subvention given on gold loans. Hence the minutes of the meeting is placed here for discussion.

*Another issue raised is that during the moratorium period itself some of the cooperative banks are taking auction procedures on defaulters which should be taken on a serious note.*

**Sri. N.K Krishnankutty DGM, Canara Bank** stated that minister's main concern was that bankers were not considering KCC loan applications. He added that if Krishi Bhawan recommends genuine farmers for KCC, banks can consider such proposals favourably.

**Sri. Anil D , LDM Palakkad** stated that in most of the BLBC meetings , Agricultural ADA's and agricultural officers are not attending regularly. Department has to take it seriously so that genuine farmers are not left out.

*When farmers are availing crop loan from the bank side, they have to take PMFBY as a compulsory cover and in addition to it state government sponsored crop insurance coverage is also insisted. So farmers have to face the burden of double insurance.*

*Smt G.K Maya SLBC Convenor & GM Canara Bank stated that Banks are lending under KCCS, Agri Dept can support to increase the portfolio. Regarding Gold loans Banks are bound to follow RBI guidelines. All recommendations adhering to the RBI guidelines may be followed strictly by the Banks*

*The forum requested the agricultural department to ensure that agricultural officers in districts to attend the VLBC meetings.*

*(Action: Agriculture Department, Banks)*

### **3.1.7 Agenda suggested by Kudumbhasree**

**1: Availing loan facility for Sangha krishi members for agricultural activities in Alappuzha district.**

*The forum requested Kudumbhasree to raise this issue in the BLBC meetings as it is confined to alleppey district only.*

*(Action: LDM Aleppey)*

## **3.2 Fresh Issues in Secondary Sector**

### **3.2.1 Agenda suggested by Health and Family Welfare Department**

#### **Enhancement of Education Loan for MBBS course**

*Smt G.K Maya SLBC Convenor & GM Canara Bank stated that As per master circular on IBA model Education Loan scheme for pursuing higher education in India and abroad, there is no bar in sanctioning of loans beyond the above ceilings based on the genuine needs of the student.*

*The forum requested the health and Family welfare department to take the matter with GOI and RBI to bring this under priority sector.*

*(Action: Health and Family welfare Department)*

### **3.2.2 Implementation of Prime Minister's Employment Generation Programme (PMEGP) in Coir Sector (Agenda by Coir Board)**

*Sri Abhraham Shaji John, LDM Trivandrum stated that for the last two months in the proposals received in coir sector under PMEGP , the project costs are too inflated. Loan parties are not familiar with the activity although some kind of training has been given to them.*

*The forum noted that all the credit linked schemes are brought under the single umbrella of PMEGP. The forum extended full support to the scheme.*

*(Action: Banks)*

### **3.2.3 Information Note on - Campaign of psbloans59minutes.com by DFS**

*The forum noted the information*

### **3.2.4 Information Note by KVIC**

*The forum noted the information*

### **3.2.5 Information Note by Coir Board - Funds allocated in BE 2018-19 under Coir Udyami Yojana (CUY)**

*The forum noted the information*

## **FRESH ISSUES IN TERTIARY SECTOR**

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

#### **A. Natural Calamities Portal: Monthly Reporting**

*Sri. Sooraj S AGM, RBI urged to the banks to upload the actual data on relief measures every month by the 10th of the following month. In case there is no natural calamity or relief measures extended, a 'NIL' statement shall be uploaded.*

*(Action: Banks)*

#### **B. (a) Functioning of BCs in the State and devise tangible measures to smoothen their functioning.**

*Sri. Sooraj S AGM, RBI stated that for the proper functioning of BC's banks have to provide necessary support to them. SLBC shall include an agenda in the SLBC subcommittee to review the functioning of BC in the state and devise tangible measures to smoothen their functioning.*

*Sri. R Srinivasan, CGM, NABARD stated that some of the banks have extended adequate facilities. In addition to giving incentives to BCs for opening of SB accounts, they have to be given incentives for canvassing of loan accounts, recovery of loans, in this way BCs can be made viable and sustainable. He requested SLBC to review the performance of BCs bankwise periodically.*

*The forum requested the LDMs to include the performance review of BC's in DLRC's of every district.*

*(Action: SLBC, Banks, LDMs)*

**(b)**

**Detailed review of the utilisation of Rural Infrastructure Development Fund (RIDF) from next SLBC meeting onwards.**

*Sri. R Srinivasan, CGM, NABARD stated that the purpose to present the detailed review of the utilization of RIDF is that after the creation of infrastructure in the state the credit deepening has to happen. RIDF has evolved because of not achieving the various priority sector targets. So after the creation of infrastructure, banks should come forward to fill the gap in the credit dispensation in those areas. The presentation includes what all the infrastructure are created.*

*Sri. P Selvaraj, General Manager, NABARD presented a detailed review of utilization of rural Infrastructure development Fund (RIDF) in the State.*

*(Action: NABARD)*

**3.3.2. Agenda suggested by Women and Child Development Department**

*The forum requested the Women and Child development Department to come up with specific issues so that banks could work with NPCI to sort out the issue.*

*(Action: Women & Child Development Department)*

**3.3.3. Agenda suggested by National Trust (Ministry of Social Justice & Empowerment)**

**National Trust Act 1999. Legal Guardianship & Account Opening**

*Smt G.K Maya SLBC Convenor & GM Canara Bank stated that RBI Circular DBR.No.Leg.BC.78/09.07.005/2015-16 dated February 11 2016 in its Point No. 2 clarifies that insisting of legal guardian would be necessary for Banks only in such cases where Bank Managers are convinced to do so by the reason of mental disorder*

*Sri. Sooraj S AGM, RBI informed the forum that insisting of legal guardian in such cases is left to the discretion of bank managers.*

*The forum noted that this is only an interpretation issue, therefore decided to drop the agenda*

**3.2.5 Agenda suggested by Kudumbhasree**

**A. Closing of Bhavanashree Loan Account Regarding- Request to give written confirmation with regard to the status of Bhavanashree Loan Accounts**

*Representative from Kudumbhasree informed the forum that Bhavanashree loan scheme was taken up by the government in 2010. According to the tripartate agreement, government has taken up Bhavananshree loans of Nationalised banks and settled it last year.. but now some of the banks are coming up and saying that due to delay in payment,*

*the loan account is not yet closed. Two banks have reported this issue and if any other banks are having this same issue, they have to report. If all the banks simultaneously report, then Kudumbhasree can take up with the government to get the assistance. The forum requested the banks to inform the loans outstanding under Bhavanashree to SLBC by Jan 31st 2019.*

**(Action: Banks)**

**B. Amendment in NULM guidelines (Information Note)**

*The forum noted the information*

**C. Release of Interest subsidy claims under DAY- NULM through Allahabad portal**

**LDM Kollam** *stated that the list has been given by the concerned department to the LDMs. He requested the department to give some training at the district level so that LDMs shall be in a better position to educate the branch managers.*

*The forum requested the department to give a powerpoint presentation on how it can be operated through SLBC so that it can be uploaded in the SLBC website so that it could be accessible to all the banks in the state.*

**(Action: Banks, Kudumbashree)**

**D. Pending loan applications in banks**

SEP applications under DAY – NULM

*The forum requested banks to process the pending applications within the timeframe and report.*

**(Action: Banks)**

**3.3.5. Agenda suggested by Social Security Mission**

*[1] The forum requested the Social Security Mission to give some more information on the scheme, type of updations to be done at branch level, any portal required for updations etc.*

**(Action: Social security mission)**

*[2] The forum requested the banks to consider the request favourably adhering to RBI guidelines*

**(Action: Banks)**

**3.3.6. Agenda suggested by Canara Bank**

The forum requested the banks to take utmost care while handling pension accounts especially in timely obtention of life certificate, deactivation of deceased pensioners account etc.  
The forum noted the information

**(Action: Banks)**

### **3.3.7 Agenda suggested by Life Mission**

*Smt G.K Maya SLBC Convenor & GM Canara Bank stated that Total Housing programme envisioned by Govt of Kerala. Govt providing additional finance to all beneficiaries by availing loan from HUDCO through KURDFC. SBI is the authorised official banks to make all transactions of loan amount. SBI pointed out certain issues in transaction of loan amounts to other banks due to BSBD accounts, PMJDY Acc, Non KYC compliant etc*

The forum requested Life Mission to submit the data of such accounts to SLBC so that these can be circulated among the member banks to update the discrepancies of these accounts.

**(Action: Life mission)**

### **3.3.8 Agenda by LDM Malappuram**

The forum requested the SLBC cell to write to the government to amend the rule.

**(Action: SLBC)**

### **3.3.9 Agenda suggested by DIC**

The forum noted that One year moratorium for loans to Micro & Small enterprises. (May extend upto 18 months on case to case basis)

Working capital limits, for micro & small enterprises may be restructured to Working Capital Term Loan (WCTL) with duration up to maximum 36 months (including moratorium period ) on need basis can be provided as per our Natural calamity Relief measures D (I & II)

- A Committee under the GM of overseeing Bank and LDM is already in function.
- Committees on stressed assets under MSMEs are to be constituted by the Banks and is a continuing agenda of SLBC 2.2.1

Representative from the DIC stated that in some of the districts committees for stressed MSME are not properly functioning.

The forum requested the LDMs to monitor whether the committees for stressed assets under MSMEs are properly working or not.

**(Action: Banks, LDMs)**

### **3.3.10 Agenda Suggested by Planning & Economic Affairs Ministry, Govt of Kerala**

**A.**

*Sri. V K Praveen Kumar , GM, RBI informed the forum that for Education loans, banks fix norms according to the IBA guidelines. Students who fail to get admission under merit quota applies under management quota. RBI cannot direct the banks to give loans for both merit and management seats under same norms. It is with discretionary power of each banks. This is the reason why banks are fixing different norms for management seats.*

*The forum requested SLBC cell to write to Planning and Economic Affairs department in this regard.*

**B.**

*Smt G.K Maya SLBC Convenor & GM Canara Bank stated that invocation of SARFAESI in agricultural land is void by law. But in kerala there is no distinction between agricultural land and others.*

*The forum noted that SARFAESI Act is a legal tool available with the banks to recover the dues. However, the Controlling Officers of Banks to ensure that no authority in the Bank violates the provisions of the Act.*

**(Action: Banks)**

#### **❖ Table Agenda 1 suggested by NABARD**

*Sri. R Srinivasan, CGM NABARD stated that NABARD has been preparing area based schemes where in each district NABARD identifies the potential for coming out with medium and long term lending to agricultural activities.*

#### **[A]Area Development Scheme on Cage Aquaculture in 6potential Districts of Kerala**

*Sri. P Selvaraj, General Manager, NABARD briefly explained about the scheme .*

*Sri. SMN Swamy Regional Director, RBI requested the banks to consider this scheme favourably.*

*The forum approved the scheme and requested the banks to extend support to the scheme.*

**(Action: Banks)**

#### **❖ Table Agenda 2 suggested by NABARD**

##### **1. National Livestock Mission (NLM): Submission of claims through online portal**

NLM portal for claiming subsidy under National Livestock Mission (NLM) has gone live from 13 November 2018. All Banks are required to submit claims online through the portal <https://ensure.nabard.org>. Subsidy claims in respect of loans sanctioned under NLM from 01 April

2018 may be uploaded to the portal using the same ID and password for submitting DEDS claims. Hard copies of the claims shall not be sent to NABARD RO.

*Smt. KSM Lakshmi, GM, NABARD requested the banks to submit the claims online through the portal <https://ensure.nabard.org>*

*(Action: Banks)*

## **2. New Agricultural Marketing Infrastructure (AMI) sub-scheme of Integrated Scheme for Agricultural Marketing (ISAM)**

Ministry of Agriculture & Farmers' Welfare, Gol vide their letter Ref. No. 19o12/1/2o18/M-II. dated 5 November 2o18 have issued the operational guidelines for the new Agricultural Marketing Infrastructure (AMI) sub-scheme of Integrated Scheme for Agricultural marketing (ISAM). The new scheme has been approved for implementation from 22 October 2o18 for the period conterminous with the 14th Finance Commission i.e. upto 31 March 2o2o. Accordingly, the revised guidelines for the sub-scheme AMI will be effective for new credit linked projects for which term loan is sanctioned by the Fls on after 22 October 2o18 to 31.03.2o2o. NABARD will release subsidy under the scheme to all the institutions which are eligible for NABARD refinance. Detailed operational guidelines have been forwarded to all financing banks vide NABARD circular No.283/DoR/2018-19 dated 26 November 2018.

The operational guidelines of the scheme are also available on NABARD website at [www.nabard.org](http://www.nabard.org)

*Smt. KSM Lakshmi, GM, NABARD stated that NABARD is proposing a New Agricultural Marketing Infrastructure (AMI) sub-scheme of Integrated Scheme for Agricultural Marketing (ISAM) . Guidelines have been defined to the benefit of the beneficiaries under the banks . So on 3<sup>rd</sup> Jan 2019 a detailed workshop to share the details of the scheme is being organized.*

*(Action: Banks)*

## **3. Support for Dual Authentication at BC points for SHG transactions (Support under Financial Inclusion Fund)**

- The scheme provides one time grant assistance towards development of software patch and its installation on micro ATM for a maximum of three Technical Service Providers (TSPs) of Scheduled Commercial Banks and a maximum of two TSPs of Regional Rural Banks.
- The Scheduled Commercial banks (SCBs) and Regional Rural Banks (RRBs) who have employed BCs and have “Dual Authentication” feature enabled in the micro ATMs after o1 April 2017 are eligible under the scheme.
- The extent of support will be the 60%/80% of the actual expenditure incurred by SCBs/RRBs respectively up to a maximum of Rs.7.00 lakh per TSP.
- Support is limited to the development of software patch and its installation on micro ATM. Other OPEX, if any, will be borne by the Bank.
- The proposals for sanction may be submitted to NABARD Regional Office (RO)



- for a single State and to Head Office (HO) for multiple States, up to 31 March 2019.
- The circular containing the detailed guidelines of the scheme are enclosed for further reference.

**(Action: Banks)**

❖ **Table agenda suggested by RBI**

We invite your attention to a study by FIDD, Central Office on credit utilisation by SHGs under DAY-NRLM in the intensive blocks and districts in 15 States, covering 290 SHGs. The study was conducted through the Lead District Officers of RBI to ascertain the quantum of loan utilized by SHGs for income generation activities.

2. The major findings of the study are as below:

- In most of the states, SHGs extend loans to their members at interest rates in the range of 12-24% per annum.
- The quantum of loans disbursed by banks to SHGs range from Rs.50,000 to Rs.10,00,000.
- The amount of loan disbursed by the SHGs to its members range from Rs.81,000 to Rs.6,21,000. In most of the cases, the loans were disbursed among the members based on their need while a few SHGs disbursed them equally among members.
- On an average, 65.5% of the loans disbursed by the SHGs were utilized for taking up livelihood activities by the individual members.
- The balance credit of 34.5% of the loans were used by members for meeting social needs (12.8%), construction or repair of houses (11.8%), high cost debt swapping (7.2%) and miscellaneous purposes (2.7%).

3. The SHG model has turned out to be a viable one that has helped the rural poor to come out of abject poverty and the clutches of the money lenders. The focus of banks should, therefore, continue to be on lending towards income generating productive activities. As you are aware, in order to facilitate use of loans for augmenting livelihoods of SHG members, banks have been advised vide Master Circular on DAY-NRLM viz. **FIDD.GSSD.CO.BC.No.05/09.01.01/2018-19 dated July 03, 2018**, that at least 50% of loans above Rs. 2 lakhs and 75% of loans above Rs. 4 lakhs be used primarily for income generating productive purposes.

4. You are advised to kindly sensitize the banks on the above aspect through the SLBC forum.

**(Action: SLBC, Banks)**

❖ **Update on Resurgent Kerala Loan Scheme (RKLS) [by Kudumbhashree]**

*Representative from Kudumbhashree thanked all the bankers for extending support to the Resurgent Kerala Loan Scheme [RKLS] and informed the forum that 60,000 people have benefitted from this scheme , but still 60,000 are yet to be covered .*

*While formulating the scheme , age of SHGs was left to the discretion of bankers to decide on it. So most of the banks decided to give RKLS loan to those SHGs who have formed before 31<sup>st</sup> Aug 2018. But government decided to provide support to all the flood affected people who got Rs 10,000*

assistance. Around 3000 new SHGs have been newly formed in the first week of September 2018 and are waiting to avail this loan facility. So she requested the bankers to extend the scheme till March 31<sup>st</sup>, 2019.

The forum decided to extend the RKLS scheme till March 31<sup>st</sup>, 2019 and the scheme guidelines will be as approved by the individual Banks.

**(Action: Banks)**

❖ **Information Note on Ujjevana Loan Scheme**

Government order No. 27/2018/D.M.D on Ujjivana Loan Scheme was circulated among the members and the same is uploaded on the SLBC website

**Sri. N K Krishnankutty**, DGM Canara Bank proposed the vote of thanks and the meeting concluded at 1:30 pm.

List of participants is annexed.

<b><u>MEETING CHAIRED BY</u></b>			
<b>SL NO</b>	<b>INSTITUTION</b>	<b>NAME</b>	<b>DESIGNATION</b>
1	Govt of Kerala	Sri. Tom Jose IAS	Chief Secretary
2	Canara Bank	Sri. M.V Rao	SLBC Chairman & Executive Director, Canara Bank

<b>GOVERNMENT OF KERALA / GOVT. OF INDIA / DEVELOPMENTAL AGENCIES</b>			
<b>SL NO</b>	<b>INSTITUTION</b>	<b>NAME</b>	<b>DESIGNATION</b>
1.	Department of Financial Services	Sri Ashok Kumar Singh IAS	Director(FI)
2.	Revenue Department, GoK	Sri. P H Kurian IAS	Additional Chief Secretary
3	Department of Agriculture	Sri. Devendra Kumar Singh IAS	Principal Secretary & Agricultural Production Commissioner
4	Department of Financial Resources	Sri. Sanjeev Kaushik IAS	Principal Secretary
5.	Department of Industries & Commerce & NORKA	Dr. K Ellagovan IAS	Principal Secretary

6	Department of Industries & Commerce	Sri. K Biju IAS	Director
7	Department of Cooperation	Sri. Shanavas S IAS	Registrar of Cooperative Societies
8.	SC/ST Development Department	Sri. R Prasannan	Joint Director
9.	MNREGA	Sri. Raviraj R	Assistant Development Commissioner
10.	Vizhinjam Research centre of ICAR	Dr. B Santhosh	Principal Scientist
11.	CRD TVM	Sri. C P Joseph	JDC
12.	Fisheries & Ports Depaertment	Sri. Girija Kumar G	Joint Secretary
13.	Fisheries Department	Sri. Ignatious Mandro B	Joint Director
14.	State Horticulture Mission	Sri K J Skandhakumar	Asst. Director
15.	Handloom Textiles	Sri. K P Maheencbakumar	Deputy Director
16.	Coir Board	Sri. V sudheer	Regional Officer
17.	Kudumbhasree	Smt Jiji R J	State Program Manager
18.	KSSIA	Sri. K G Madhu	Dist. President
19.	Animal Husbandary Department	Dr S Sunil Kumar	Addl Director
20.	Food & Civil Supplies Department	Sri. Saju S	Joint Secretary
21.	MSME Development Institute	Sri. Prakash G S	Deputy Director
22.	National Horticulture Board	Sr. Ramesh S K Goudar	Sr. Horti.Officer
23.	Co-op Department	Smt. Jayalakshmi Amma P N	Deputy Registrar
24.	Cooperation Department	Sri. P S Manoj	Additional registrar
25.	Dept of Telcom	Sri. Seetharaman T A	Asst. Divisional Engineer
26.	Dept of Telcom	Smt. Sathya Priyadharshini	Deputy Director General
27.	Planning & Economic Affairs	Smt. Sheela G	Under secretary
28.	KVIC	Smt. K P Lalithamaney	Director
29.	KVIC	Sri. Pradeep R	Asst. Director
30.	Dairy Development Department	Sri. Thampy Mathew	Dairy Development Dept
31.	Addl. Labour Commissioner	Sri. Ranjith P M	Labour Department
32.	Agriculture & Family Welfare	Sri. Jyothi A R	Asst Director
33.	Labour Commissionerate	Sri. Rajesh K s	ALO
34.	ECGC Ltd	Sri N Kameswara Rao	Branch Manager
35.	Agricultural Insurance Company	Sri. Syam Kumar	Regional Manager
36.	New India Assurance Company	Dr B. Krishna Prasad	Divisional Manager
37.	LIC	Sri. Ashok Kumar	Branch Manager

38.			
39.	Directorate of Coir Development	Sri. Sasikumar S	Asst Registrar
40.	Oriental Insurance	Sri. Rajmohan J L	Deputy Manager

**RESERVE BANK OF INDIA**

SL NO	NAME	DESIGNATION
1.	Sri. S M N Swamy	Regional Director
2.	Sri. V.R Praveen Kumar	General Manager
3.	Sri. Sooraj S	Assistant General Manager
4.	Sri. P V Manoharan	Assistant General Manager

**NABARD / SIDBI / NATIONAL HOUSING BANK**

SL NO	INSTITUTION	NAME	DESIGNATION
1.	NABARD	Sri. R Srinivasan	Chief General Manager
2.	NABARD	Dr. P Selvaraj	General Manager
3.	NABARD	Smt. K S M Lakshmi	General Manager
4.	NABARD	Sri. Nagesh Kumar	Deputy General Manager
5.	NABARD	Sri. Ravi kumar J	AM
6.	NABARD	Sri. Abhinav Yadav	AM
7.	NABARD	Smt. Beena	AM
8.	SIDBI	Sri.C.V.K.D Prabhu	AGM

**PUBLIC SECTOR BANKS**

SL NO	INSTITUTION	NAME	DESIGNATION
1.	State Bank of India	Sri. P S Patra	General Manager
2.	State Bank of India	Sri. Vinayak Kaisare	Deputy General Manager
3.	State Bank of India	Sri. Asokkumar	Assistant General Manager
4.	Central Bank of India	Sri. D N Rajendra Kumar	Sr. Regional Manger
5.	Indian Overseas Bank	Sri. S Ramesh Kumar	Assistat General Manager
6.	Syndicate Bank	Sri. K V N Murthy	Regional Manager
7.	Allahabad Bank	Sri. R Rajasekharan	Chief Manager
8.	Andhra Bank	Sri.K Venugopal	Zonal Manager
9.	Bank of India	Sri. Mahesh Kumar V	Zonal Manager
10.	Syndicate Bank	Sri. D Ravi Sankar	Senior Manager
11.	Bank of Maharastra	Sri. Shyamkumar	Sr Branch Manager
12.	IDBI Bank	Sri. Naveen Raj	Deputy General Manager
13.	Vijaya Bank	Sri. C H Rajasekhar	Deputy General Manager
14.	Indian Bank	Sri. S Suresh	Deputy General Manager
15.	Bank of Boroda	Sri. Suresh Prabhu S	Chief Manager
16.	Syndicate Bank	Sri. K V N Murthy	Regional Manager

17.	Dena Bank	Sri. Prasanth K	Chief Manager
<b>CONVENOR BANK (CANARA BANK)</b>			
<b>SL NO</b>	<b>NAME</b>	<b>DESIGNATION</b>	
1.	Smt. G.K Maya	SLBC Convener & General Manager	
2.	Sri. K Palanivelu	General Manager	
3.	Sri. N.K. Krishnankutty	Deputy General Manager	
4.	Sri. Babu Kurian	Deputy General Manager	
5.	Sri. Sunil Kumar S	Divisional Manager	
6.	Sri. G.Nandakumar	Senior Manager	
7.	Sri. K Sankar	Manager	
8.	Sri. Muhammed Anseem	Manager	
9.	Smt. Nisha V L	Officer	

<b>REGIONAL RURAL BANK</b>			
<b>SL NO</b>	<b>INSTITUTION</b>	<b>NAME</b>	<b>DESIGNATION</b>
1.	Kerala Gramin Bank	Sri. Nagesh G Vaidya	Chairman

<b>PRIVATE SECTOR BANKS</b>			
<b>SL NO</b>	<b>INSTITUTION</b>	<b>NAME</b>	<b>DESIGNATION</b>
1.	Federal Bank	Sri. Jose V Joseph	EVP
2.	Federal Bank	Sri. Jacob Eapen K	Assistant Vice President
3.	HDFC Bank	Sri. Jithesh Janadardhanan	Assistant Vice President
4.	South Indian Bank	Sri. Paul Antony Maliakal	Deputy General Manager
5.	ICICI Bank	Sri. A R Biju	Assistant General Manager
6.	ICICI Bank	Sri. Tony Thomas	Manager
7.	Catholic Syrian Bank	Sri. M P Davis	Zonal Manager
8.	Dhanlakshmi Bank	Sri Jayadev J	Senior Manager
9.	Yes bank	Sri. Bijesh Chandra R	Branch Business Leader
10.	IndusInd bank	Sri. Prasanth Ramachandran	Chief Manager
11.	Axis Bank Ltd	Sri Maya K	Senior Manager
12.	Karur Vysya Bank Ltd	Sri. Rajasekharan K	Senior Manager
13.	Tamilnad Mercantile Bank	Sri. T Bharath	Assistant Manager
14.	Kotak Mahindra Bank	Sri. Sujith P G	Senior Manager
15.	Bandhan Bank	Sri. Hariharan S	Branch Head
16.	Bandhan Bank	Sri. P P S Prakash	Deputy Vice President
17.	Laxmi Vilas Bank	Sri. Prenjith P C	Branch Head
18.	Karnataka Bank	Sri. Abhishek Kamata	Officer
19.	RBL Bank	Sri. Ujjai Rajan	Senior Manager
20.	IDFC Bank	Sri. Sennimon C K	Associate Director
21.	J&K Bank	Sri. Mahadevan G	Manager

22.	Ujjivan SFB	Sri Mahesh P Mohan	Area Manager
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**CO-OPERATIVE BANKS**

SL NO	INSTITUTION	NAME	DESIGNATION
1.	Kerala State Cooperative Bank	Sri. V Muraleedharan	General Manager
2.	KSCARD Bank	Sri. S M Sharabudeen	ADM

**LEAD BANK OFFICES**

SL NO	INSTITUTION	NAME	DESIGNATION
1.	Indian Overseas Bank	Sri. Abraham Shaji John	Lead Bank Manager, Trivandrum
2.	Indian Bank	Sri. A.Padmakumar	Lead District Manager, Kollam
3.	State Bank of India	Sri. Vijayakumaran.V	Lead District Manager, Pathanamthitta
4.	State Bank of India	Sri. V Vinod Kumar V	Lead District Manager, Alappuzha
5.	State Bank of India	Sri. Chandrasekharan C.V	Lead District Manager, Kottayam
6.	Union Bank of India	Sri. Rajagopalan G	Lead District Manager,Idukki
7.	Union Bank of India	Sri. C.Satish	Lead District Manager, Ernakulam
8.	Canara Bank	Sri. R.R.Kanakambaran	Lead District Manager, Thrissur
9.	Canara Bank	Sri. Anil D	Lead District Manager, Palakkad
10.	Canara Bank	Sri. Kunhiraman.T.P	Lead District Manager, Malappuram
11.	Canara Bank	Smt. Vinod G	Lead District Manager, Wayanad
12.	Canara Bank	Sri. Sivadasan K M	Lead District Manager, Calicut
13.	Syndicate Bank	Sri. Remanan C S	Lead District Manager, Kasargod

**SMALL FINANCE BANK**

SL NO	INSTITUTION	NAME	DESIGNATION
1.	ESAF Bank	Sri. Suresh K P	Branch Head